

AGREEMENT NO. 76-36

BY AND BETWEEN

CITY OF BAKERSFIELD,
CITY OF BAKERSFIELD WATER FACILITIES CORPORATION,
TENNECO WEST, INC.,
KERN ISLAND WATER COMPANY, AND
KERN RIVER CANAL AND IRRIGATING COMPANY.

DATED: APRIL 12, 1976

BK 006158

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- Exhibit B-1 -- Kern Island Water Company -
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- Exhibit B-2 -- Kern River Canal and Irrigating
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- Exhibit B-3 -- River, James and Pioneer Canals - Map
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- Exhibit C -- Deed to Twenty-eight Hundred Acres
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- Exhibit C-1 -- Ashe Service Area Maps
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- Exhibit D -- Tenneco West, Inc. Schedule of Equipment
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- Exhibit E -- Lake Isabella Payment Schedule
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- Exhibit F -- Tenneco West, Inc. Fee Lands adjacent
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- Exhibit G -- Kern River Canal Property Lease between
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- Exhibit H -- Current Status of Refund Contracts
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- Exhibit I -- Ashe Assets
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- Exhibit J -- Kern River Canal Water Salvage Formula
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- Exhibit K -- Miller-Haggin Agreement, dated
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- Exhibit L -- Farmers Canal Co., et al, v. J.R.
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Judge Lucien Shaw), dated 1900
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AGREEMENT

THIS AGREEMENT, made as of April 12, 1976, among the CITY OF BAKERSFIELD, a body politic and corporate acting under a Charter, CITY OF BAKERSFIELD WATER FACILITIES CORPORATION, a California non-profit corporation, TENNECO WEST, INC., a Delaware corporation, KERN ISLAND WATER COMPANY, a California corporation, and KERN RIVER CANAL AND IRRIGATING COMPANY, a California corporation.

WITNESSETH:

WHEREAS, the City of Bakersfield, Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company have on July 30, 1973 agreed that the City of Bakersfield would acquire the Assets of Tenneco West, Inc., Kern Island Water Company and Kern River Canal and Irrigating Company in settlement of the City's threatened exercise of its power of eminent domain, and said agreement was further supplemented by a Memorandum of Understanding executed on November 9, 1973; and the City of Bakersfield, Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company by this Agreement are setting forth the precise terms for the completion of the said acquisition heretofore agreed upon; and

WHEREAS, City of Bakersfield Water Facilities Corporation has been organized under the direction of public spirited residents of the City of Bakersfield to assist the City by financing the acquisition of the Assets, a portion of which are to be transferred by Sellers to the City and a portion

are to be transferred by Sellers to WFC and leased to the City, and for such purposes WFC will issue its bonds as herein provided; and

WHEREAS, the City has the authority in its Charter to acquire, construct, own, lease, operate and regulate public utilities and other property by purchase subject only to the restrictions and limitations in its Charter; and

WHEREAS, there is no restriction or limitation in the Charter of the City prohibiting the City from purchasing a portion of the Assets from the special water revenue fund and leasing a portion of the Assets in the manner as herein provided;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the City of Bakersfield, City of Bakersfield Water Facilities Corporation, Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company hereby agree as follows:

A R T I C L E I

Designations and Definitions

1.1 Designations. The parties to this Agreement, certain other corporations and legal entities named herein and various other terms used herein are hereinafter sometimes referred to by the following designations:

<u>Name or Term</u>	<u>Designation</u>
City of Bakersfield	City
City of Bakersfield Water Facilities Corporation	WFC
Tenneco West, Inc.	TWI
Kern Island Water Company	Kern Island

Kern River Canal and Irrigating Company	KRC
Kern County Canal and Water Company, formerly a California corporation and now a division of Tenneco West, Inc.	KCCW
Kern County Land Company, Kern County Canal and Water Company, James Canal, Inc., Anderson Canal, Inc., Plunket Canal, Inc., Joyce Canal, Inc., Pioneer Canal, Inc., Lerdo Canal Company, James and Dixon Canal, Inc., and Central Canal Company, collectively	Canal Companies
Kern Delta Water District	Kern Delta
North Kern Water Storage District	North Kern
Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company, collectively	Sellers

1.2 Definitions. Unless the context otherwise requires, the terms defined in this Paragraph 1.2 hereof shall for all purposes of this Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Assets.

The term "Assets" means all of the assets referred to in Article II hereof and the interest in the Kern River Canal Property to be acquired by the City pursuant to this Agreement. 1952 Agreement.

The term "1952 Agreement" means the agreement entitled "Agreement for Use of Water Rights" between Canal Companies and North Kern, dated January 1, 1952.

1964 Agreement.

The term "1964 Agreement" means the agreement between KCCW and North Kern, dated March 3, 1964.

Bonds.

The term "Bonds" means the Revenue Bonds and the WFC Leasehold Mortgage Bonds.

Bond Closing and Bond Closing Date

The terms "Bond Closing", and "Bond Closing Date" mean the date that the Bonds are issued by WFC and the transfer of the Assets is made.

Calloway Canal.

The term "Calloway Canal" means the interests described in Paragraph 2.2(j) hereof.

Cash Closing; Cash Closing Date.

The terms Cash Closing and Cash Closing Date shall have the meaning described in Article XV.

Castro Ditch.

The term "Castro Ditch" means the water rights and interests described in Paragraph 2.2(e) hereof.

Charter.

The term "Charter" means the Charter of the City of Bakersfield adopted on January 23, 1915, as amended.

Clerk.

The term "Clerk" means the City Clerk of the City.

Closing and Closing Date.

The terms "Closing" and "Closing Date" mean the Bond Closing Date or the Cash Closing Date, whichever shall occur.

Corporate Operations Fund.

The term "Corporate Operations Fund" means the fund to be established under the Indenture for the payment therefrom of the WFC Expenses defined in Paragraph 10.5, Covenant 9, hereof.

Current Interest.

The term "Current Interest" means the interest accruing on the unpaid balance of the Deferred Payment at the rate set forth in Paragraph 11.1 hereof from and after the 10th

Deferred Payment Date until the principal amount of the Deferred Payment is paid.

Council.

The term "Council" means the City Council of the City.

Deferred Interest.

The term "Deferred Interest" means the interest accruing on the unpaid balance of the Deferred Payment at the rate set forth in Paragraph 11.1 hereof from and after the Closing Date to the 10th Deferred Payment Date.

Deferred Payment.

The term "Deferred Payment" means the amount of \$2,900,000, plus the net amounts of additions and betterments added to the assets of the Ashe Service Area from November 9, 1973 to the Closing, reduced by (i) the amount on the Closing of the obligation described in Paragraph 12.2 hereof (exclusive of obligations to pay operation, maintenance and other current costs after the Closing Date) and (ii) by the amount of the outstanding contractual obligations of main extension refunds of Ashe Service Area entered into on or before November 9, 1973, described in Exhibit H, attached hereto and made a part hereof, said Deferred Payment to be paid by the City to TWI pursuant to Article XI hereof. To compute said net amounts, the cost of such additions and betterments shall have deducted therefrom the then outstanding balance of any indebtedness thereon and the depreciation of such additions and betterments to the Closing.

Deferred Payment Date.

The term "Deferred Payment Date" means the annual payment date of the Deferred Payment, commencing on the first anniversary Closing Date and continuing annually thereafter to and including the 10th anniversary date from the Closing Date.

Fiscal Year.

The term "Fiscal Year" means the period beginning July 1 of each year and ending on the next succeeding June 30.

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Fund.

The term "Fund" means any Fund required under Paragraph 10.4 hereof. Any Fund required by this Agreement to be established and maintained by the City may be established and maintained in the accounting records of the City either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such Funds shall at all times be maintained in accordance with generally accepted accounting principles and with due regard for the protection of the security of the Sellers and Bondholders.

Holder or Bondholder.

The term "Holder" or "Bondholder" means any person who shall be the bearer of any outstanding Bond that is not registered, or the registered owner of any outstanding Bond which shall at the time be registered as to principal and interest.

Indentures.

The term "Indentures" means the Revenue Indenture and the WFC Leashold Mortgage Indenture.

Kern Island Assets.

The term "Kern Island Assets" means all of the assets, property and property rights listed in Paragraph 2.3 hereof which the City will acquire from Kern Island.

Kern Island Payment.

The term "Kern Island Payment" means the payment of \$3,500,000 to be received by City from Kern Delta as consideration for the acquisition by Kern Delta of a portion of the Kern Island Assets.

KRC Assets.

The term "KRC Assets" means all of the assets, property and property rights listed in Paragraph 2.4 hereof which the City will acquire from KRC.

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Kern River Canal.

The term "Kern River Canal" means that canal designated as such on the map attached hereto as Exhibit B.

Kern River Canal Lease Payment.

The term "Kern River Canal Lease Payment" means the semi-annual lease rental payments made by the City to WFC for the lease of the Kern River Canal Property.

Kern River Canal Property.

The term "Kern River Canal Property" means the Kern River Canal, rights-of-way and easements, excluding the Kern River Canal Water Rights.

Kern River Canal Purchase Payment.

The term "Kern River Canal Purchase Payment" means the payment of \$2,000,000 made by WFC to Sellers for the acquisition by WFC of the Kern River Canal Property.

Kern River Canal Water Rights.

The term "Kern River Canal Water Rights" means the water rights and entitlements and any other interests created by the operation of the Kern River Canal described in Paragraph 2.2(d) hereof.

Maintenance and Operation Costs of the Assets.

The term "Maintenance and Operation Costs of the Assets" means the reasonable and necessary costs of maintaining and operating the Assets, calculated on generally accepted accounting principles, including (among other things) salaries and wages, fees for services, the reasonable expenses of management, repairs and other expenses necessary to maintain and preserve the Assets in good repair and working order, the payments to North Kern for the operation, maintenance and other current costs for Lake Isabella storage pursuant to

the 1964 Agreement, and reasonable amounts for administration, overhead, insurance, taxes (if any) and other similar costs, but excluding in all cases depreciation and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, costs of capital additions, and replacements, betterments, extensions or improvements to Assets, which under generally accepted accounting principles are chargeable to a capital account or to a reserve for depreciation.

Net Revenues.

The term "Net Revenues" means all of the Revenues less all Maintenance and Operation Costs of the Assets.

Outstanding.

The term "Outstanding" when used to refer to Bonds shall have the meaning defined in the Indenture.

Priority Payment.

The term "Priority Payment" means the amount of \$13,000,000 to be paid to the Sellers from the proceeds of the Bonds and the Kern Island Payment, which amount represents a portion of the consideration to be received by Sellers for the Assets, exclusive of the Kern River Canal Property.

Purchase Payments.

The term "Purchase Payments" means the semi-annual cash installments to be paid by the City to the Trustee for the purchase of the Assets, except the Kern River Canal Property, pursuant to Paragraph 10.3 hereof.

Revenues.

The term "Revenues" means all revenues derived from the Assets, which include all charges received for, and all other income and receipts derived by the City from, the operation of the Assets or arising from the Assets, or

received by the City from the services, facilities and water of the Assets or from the investment of funds as provided in Paragraph 10.6 hereof and on any funds held by the Revenue Trustee under the Revenue Indenture, but excluding customer deposits and connection charges.

Revenues Of The TWI Assets.

The term "Revenues Of The TWI Assets" means all revenue derived from the TWI Assets, which include all charges received for, and all other income and receipts derived by the City from, the operation of the TWI Assets or arising from the TWI Assets, or received by the City from the services, facilities and water of the TWI Assets or from the investment of funds from the TWI Assets as provided in paragraph 10.6 hereof, but excluding customer deposits and connection charges.

Revenue Bondholder.

The term "Revenue Bondholder" means the Holder or Bondholder of the Revenue Bonds.

Revenue Bonds.

The term "Revenue Bonds" means the WFC 1976 Revenue Bonds to be issued by WFC to provide a portion of the funds to pay the Sellers the Priority Payment and all costs and expenses referred to in Article X hereof.

Revenue Indenture.

The term "Revenue Indenture" means the indenture to be entered into by WFC and the Revenue Trustee providing for the issuance of the Revenue Bonds.

Revenue Trustee.

The term "Revenue Trustee" means the principal office of _____, California, appointed by the WFC pursuant to the Revenue Indenture and acting as an independent trustee with the duties and powers provided in the Revenue Indenture, its successors and assigns, and any other corporation or

association which may at any time be substituted in its place, as provided in said Revenue Indenture.

Trustee.

The term "Trustee" means the Revenue Trustee and the WFC Leasehold Mortgage Trustee.

Treasurer.

The term "Treasurer" means the Treasurer of the City.

TWI Assets.

The term "TWI Assets" means all of the assets, property and property rights listed in Paragraph 2.2 hereof.

TWI Equipment.

The term "TWI Equipment" means all of the assets and property listed in Paragraph 2.5 and Exhibit D hereof which the City will acquire from TWI.

WFC Expenses.

The term "WFC Expenses" means all amounts to be paid by the City pursuant to Covenant 9 of Paragraph 10.5 hereof.

WFC Leasehold Mortgage Bonds.

The term "WFC Leasehold Mortgage Bonds" means the bonds to be issued by WFC the proceeds of which will be used by WFC to make the Kern River Canal Purchase Payment and to pay any other costs and expenses in connection with the authorization and sale of said bonds.

WFC Leasehold Mortgage Indenture.

The term "WFC Leasehold Mortgage Indenture" means the indenture to be entered into by WFC and the WFC Leasehold Mortgage Trustee providing for the issuance of the WFC Leasehold Mortgage Bonds.

WFC Leasehold Mortgage Trustee.

The term "WFC Leasehold Mortgage Trustee" means the principal office of _____ in _____, California, appointed by the WFC pursuant

to the WFC Leasehold Mortgage Indenture and acting as trustee with the duties and powers provided in the WFC Leasehold Mortgage Indenture, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in said WFC Leasehold Mortgage Indenture. Wilson Ditch.

The term "Wilson Ditch" means the water rights and interests described in Paragraph 2.2(f) hereof.

A R T I C L E I I

Description of the Assets

2.1 General. The Assets which the City is acquiring pursuant to this Agreement include all Kern River water and water rights and the other property and rights of Sellers described herein and the benefits appurtenant thereto, subject to the terms, conditions, restrictions and reservations set forth in or arising from the instruments listed in Exhibit A, attached hereto and made a part hereof, a copy of which has heretofore been delivered to the City, and the City shall accept the Assets subject thereto. Said instruments shall be assigned to the City. In no instance shall any conveyance by Sellers include any mineral interest in the real estate conveyed, but no mining operations or drilling for oil, gas or other minerals will be allowed within the first 500 feet below the surface of such real estate (other than that real estate referred to in Paragraph 2.2(h) hereof) unless consent is first obtained from the City.

The Assets which the City will acquire from the Sellers pursuant to this Agreement shall include all and whatever interest the Sellers have to water and water rights (other than Sellers' rights as a landowner to receive public utility service under the then existing public utility tariffs and Sellers' groundwater pumping rights on lands not transferred

pursuant to this Agreement) in and to the Kern River in Kern County, California, including, but not limited to, the property and property rights described in this Article II hereof, all Kern River water rights (appropriative, riparian, salvage, overlying and prescriptive) and, in particular, those water rights which are identified in the Miller-Haggin Agreement of 1888 (Exhibit K) (and subsequent amendments thereto) were interpreted in the Shaw Decree of 1900 (Exhibit L), and all other rights and interests of any nature whatsoever associated therewith.

2.2 TWI Assets. That portion of the Assets which the City will acquire from TWI pursuant to this Agreement are described as follows:

a. All of the water rights listed in the 1952 Agreement belonging to the Canal Companies and all other rights the Canal Companies may have subject to the terms of the 1952 Agreement, as the same are more fully described in the 1952 Agreement and in the instruments listed in Exhibit A attached hereto, and all other rights and interests of TWI of any nature whatsoever associated therewith.

b. All of the rights of TWI to store water in the Isabella Reservoir as successor in interest to KCCW under the 1964 Agreement, which Agreement is referred to in Exhibit A hereto, and all other rights and interests of TWI of any nature whatsoever associated therewith.

c. The James Canal and the Pioneer Canal (or its replacement, or the benefits of any agreement, settlement or judgment in lieu thereof relating thereto except such rights as are retained as set forth in Paragraph 2.2(k) hereof) and the rights-of-way and easements of the canals and the water rights and entitlements and any other interests in lands created by operation of the said canals, as the same are identified on the map attached hereto as Exhibit B and made a part Hereof, and all

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are to be transferred by Sellers to WFC and leased to the City, and for such purposes WFC will issue its bonds as herein provided; and

WHEREAS, the City has the authority in its Charter to acquire, construct, own, lease, operate and regulate public utilities and other property by purchase subject only to the restrictions and limitations in its Charter; and

WHEREAS, there is no restriction or limitation in the Charter of the City prohibiting the City from purchasing a portion of the Assets from the special water revenue fund and leasing a portion of the Assets in the manner as herein provided;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the City of Bakersfield, City of Bakersfield Water Facilities Corporation, Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company hereby agree as follows:

A R T I C L E I

Designations and Definitions

1.1 Designations. The parties to this agreement, certain other corporations and legal entities named herein and various other terms used herein are hereinafter sometimes referred to by the following designations:

<u>Name or Term</u>	<u>Designation</u>
City of Bakersfield	City
City of Bakersfield Water Facilities Corporation	WFC
Tenneco West, Inc.	TWI
Kern Island Water Company	Kern Island

Kern River Canal and Irrigating Company	KRC
Kern County Canal and Water Company, formerly a California corporation and now a division of Tenneco West, Inc.	KCCW
Kern County Land Company, Kern County Canal and Water Company, James Canal, Inc., Anderson Canal, Inc., Plunket Canal, Inc., Joyce Canal, Inc., Pioneer Canal, Inc., Lerdo Canal Company, James and Dixon Canal, Inc., and Central Canal Company, collectively	Canal Companies
Kern Delta Water District	Kern Delta
North Kern Water Storage District	North Kern
Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company, collectively	Sellers

1.2 Definitions. Unless the context otherwise requires, the terms defined in this Paragraph 1.2 hereof shall for all purposes of this Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Assets.

The term "Assets" means all of the assets referred to in Article II hereof and the interest in the Kern River Canal Property to be acquired by the City pursuant to this Agreement. 1952 Agreement.

The term "1952 Agreement" means the agreement entitled "Agreement for Use of Water Rights" between Canal Companies and North Kern, dated January 1, 1952.

1964 Agreement.

The term "1964 Agreement" means the agreement between KCCW and North Kern, dated March 3, 1964.

Bonds.

The term "Bonds" means the Revenue Bonds and the WFC Leasehold Mortgage Bonds.

Bond Closing and Bond Closing Date

The terms "Bond Closing", and "Bond Closing Date" mean the date that the Bonds are issued by WFC and the transfer of the Assets is made.

Calloway Canal.

The term "Calloway Canal" means the interests described in Paragraph 2.2(j) hereof.

Cash Closing; Cash Closing Date.

The terms Cash Closing and Cash Closing Date shall have the meaning described in Article XV.

Castro Ditch.

The term "Castro Ditch" means the water rights and interests described in Paragraph 2.2(e) hereof.

Charter.

The term "Charter" means the Charter of the City of Bakersfield adopted on January 23, 1915, as amended.

Clerk.

The term "Clerk" means the City Clerk of the City.

Closing and Closing Date.

The terms "Closing" and "Closing Date" mean the Bond Closing Date or the Cash Closing Date, whichever shall occur.

Corporate Operations Fund.

The term "Corporate Operations Fund" means the fund to be established under the Indenture for the payment therefrom of the WFC Expenses defined in Paragraph 10.5, Covenant 9, hereof.

Current Interest.

The term "Current Interest" means the interest accruing on the unpaid balance of the Deferred Payment at the rate set forth in Paragraph 11.1 hereof from and after the 10th

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Deferred Payment Date until the principal amount of the Deferred Payment is paid.

Council.

The term "Council" means the City Council of the City.

Deferred Interest.

The term "Deferred Interest" means the interest accruing on the unpaid balance of the Deferred Payment at the rate set forth in Paragraph 11.1 hereof from and after the Closing Date to the 10th Deferred Payment Date.

Deferred Payment.

The term "Deferred Payment" means the amount of \$2,900,000, plus the net amounts of additions and betterments added to the assets of the Ashe Service Area from November 9, 1973 to the Closing, reduced by (i) the amount on the Closing of the obligation described in Paragraph 12.2 hereof (exclusive of obligations to pay operation, maintenance and other current costs after the Closing Date) and (ii) by the amount of the outstanding contractual obligations of main extension refunds of Ashe Service Area entered into on or before November 9, 1973, described in Exhibit H, attached hereto and made a part hereof, said Deferred Payment to be paid by the City to TWI pursuant to Article XI hereof. To compute said net amounts, the cost of such additions and betterments shall have deducted therefrom the then outstanding balance of any indebtedness thereon and the depreciation of such additions and betterments to the Closing.

Deferred Payment Date.

The term "Deferred Payment Date" means the annual payment date of the Deferred Payment, commencing on the first anniversary Closing Date and continuing annually thereafter to and including the 40th anniversary date from the Closing Date.

Fiscal Year.

The term "Fiscal Year" means the period beginning July 1 of each year and ending on the next succeeding June 30.

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Fund.

The term "Fund" means any Fund required under Paragraph 10.4 hereof. Any Fund required by this Agreement to be established and maintained by the City may be established and maintained in the accounting records of the City either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such Funds shall at all times be maintained in accordance with generally accepted accounting principles and with due regard for the protection of the security of the Sellers and Bondholders.

Holder or Bondholder.

The term "Holder" or "Bondholder" means any person who shall be the bearer of any outstanding Bond that is not registered, or the registered owner of any outstanding Bond which shall at the time be registered as to principal and interest.

Indentures.

The term "Indentures" means the Revenue Indenture and the WFC Leashold Mortgage Indenture.

Kern Island Assets.

The term "Kern Island Assets" means all of the assets, property and property rights listed in Paragraph 2.3 hereof which the City will acquire from Kern Island.

Kern Island Payment.

The term "Kern Island Payment" means the payment of \$3,500,000 to be received by City from Kern Delta as consideration for the acquisition by Kern Delta of a portion of the Kern Island Assets.

KRC Assets.

The term "KRC Assets" means all of the assets, property and property rights listed in Paragraph 2.4 hereof which the City will acquire from KRC.

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Kern River Canal.

The term "Kern River Canal" means that canal designated as such on the map attached hereto as Exhibit B.

Kern River Canal Lease Payment.

The term "Kern River Canal Lease Payment" means the semi-annual lease rental payments made by the City to WFC for the lease of the Kern River Canal Property.

Kern River Canal Property.

The term "Kern River Canal Property" means the Kern River Canal, rights-of-way and easements, excluding the Kern River Canal Water Rights.

Kern River Canal Purchase Payment.

The term "Kern River Canal Purchase Payment" means the payment of \$2,000,000 made by WFC to Sellers for the acquisition by WFC of the Kern River Canal Property.

Kern River Canal Water Rights.

The term "Kern River Canal Water Rights" means the water rights and entitlements and any other interests created by the operation of the Kern River Canal described in Paragraph 2.2(d) hereof.

Maintenance and Operation Costs of the Assets.

The term "Maintenance and Operation Costs of the Assets" means the reasonable and necessary costs of maintaining and operating the Assets, calculated on generally accepted accounting principles, including (among other things) salaries and wages, fees for services, the reasonable expenses of management, repairs and other expenses necessary to maintain and preserve the Assets in good repair and working order, the payments to North Kern for the operation, maintenance and other current costs for Lake Isabella storage pursuant to

the 1964 Agreement, and reasonable amounts for administration, overhead, insurance, taxes (if any) and other similar costs, but excluding in all cases depreciation and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, costs of capital additions, and replacements, betterments, extensions or improvements to Assets, which under generally accepted accounting principles are chargeable to a capital account or to a reserve for depreciation.

Net Revenues.

The term "Net Revenues" means all of the Revenues less all Maintenance and Operation Costs of the Assets.

Outstanding.

The term "Outstanding" when used to refer to Bonds shall have the meaning defined in the Indenture.

Priority Payment.

The term "Priority Payment" means the amount of \$13,000,000 to be paid to the Sellers from the proceeds of the Bonds and the Kern Island Payment, which amount represents a portion of the consideration to be received by Sellers for the Assets, exclusive of the Kern River Canal Property.

Purchase Payments.

The term "Purchase Payments" means the semi-annual cash installments to be paid by the City to the Trustee for the purchase of the Assets, except the Kern River Canal Property, pursuant to Paragraph 10.3 hereof.

Revenues.

The term "Revenues" means all revenues derived from the Assets, which include all charges received for, and all other income and receipts derived by the City from, the operation of the Assets or arising from the Assets, or

received by the City from the services, facilities and water of the Assets or from the investment of funds as provided in Paragraph 10.6 hereof and on any funds held by the Revenue Trustee under the Revenue Indenture, but excluding customer deposits and connection charges.

Revenues Of The TWI Assets.

The term "Revenues Of The TWI Assets" means all revenue derived from the TWI Assets, which include all charges received for, and all other income and receipts derived by the City from, the operation of the TWI Assets or arising from the TWI Assets, or received by the City from the services, facilities and water of the TWI Assets or from the investment of funds from the TWI Assets as provided in paragraph 10.6 hereof, but excluding customer deposits and connection charges.

Revenue Bondholder.

The term "Revenue Bondholder" means the Holder or Bondholder of the Revenue Bonds.

Revenue Bonds.

The term "Revenue Bonds" means the WFC 1976 Revenue Bonds to be issued by WFC to provide a portion of the funds to pay the Sellers the Priority Payment and all costs and expenses referred to in Article X hereof.

Revenue Indenture.

The term "Revenue Indenture" means the indenture to be entered into by WFC and the Revenue Trustee providing for the issuance of the Revenue Bonds.

Revenue Trustee.

The term "Revenue Trustee" means the principal office of _____
in _____, California, appointed by the WFC pursuant to the Revenue Indenture and acting as an independent trustee with the duties and powers provided in the Revenue Indenture, its successors and assigns, and any other corporation or

association which may at any time be substituted in its place, as provided in said Revenue Indenture.

Trustee.

The term "Trustee" means the Revenue Trustee and the WFC Leasehold Mortgage Trustee.

Treasurer.

The term "Treasurer" means the Treasurer of the City.

TWI Assets.

The term "TWI Assets" means all of the assets, property and property rights listed in Paragraph 2.2 hereof.

TWI Equipment.

The term "TWI Equipment" means all of the assets and property listed in Paragraph 2.5 and Exhibit D hereof which the City will acquire from TWI.

WFC Expenses.

The term "WFC Expenses" means all amounts to be paid by the City pursuant to Covenant 9 of Paragraph 10.5 hereof.

WFC Leasehold Mortgage Bonds.

The term "WFC Leasehold Mortgage Bonds" means the bonds to be issued by WFC the proceeds of which will be used by WFC to make the Kern River Canal Purchase Payment and to pay any other costs and expenses in connection with the authorization and sale of said bonds.

WFC Leasehold Mortgage Indenture.

The term "WFC Leasehold Mortgage Indenture" means the indenture to be entered into by WFC and the WFC Leasehold Mortgage Trustee providing for the issuance of the WFC Leasehold Mortgage Bonds.

WFC Leasehold Mortgage Trustee.

The term "WFC Leasehold Mortgage Trustee" means the principal office of _____ in _____, California, appointed by the WFC pursuant

to the WFC Leasehold Mortgage Indenture and acting as trustee with the duties and powers provided in the WFC Leasehold Mortgage Indenture, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in said WFC Leasehold Mortgage Indenture. Wilson Ditch.

The term "Wilson Ditch" means the water rights and interests described in Paragraph 2.2(f) hereof.

A R T I C L E II

Description of the Assets

2.1 General. The Assets which the City is acquiring pursuant to this Agreement include all Kern River water and water rights and the other property and rights of Sellers described herein and the benefits appurtenant thereto, subject to the terms, conditions, restrictions and reservations set forth in or arising from the instruments listed in Exhibit A, attached hereto and made a part hereof, a copy of which has heretofore been delivered to the City, and the City shall accept the Assets subject thereto. Said instruments shall be assigned to the City. In no instance shall any conveyance by Sellers include any mineral interest in the real estate conveyed, but no mining operations or drilling for oil, gas or other minerals will be allowed within the first 500 feet below the surface of such real estate (other than that real estate referred to in Paragraph 2.2(h) hereof) unless consent is first obtained from the City.

The Assets which the City will acquire from the Sellers pursuant to this Agreement shall include all and whatever interest the Sellers have to water and water rights (other than Sellers' rights as a landowner to receive public utility service under the then existing public utility tariffs and Sellers' groundwater pumping rights on lands not transferred

pursuant to this Agreement) in and to the Kern River in Kern County, California, including, but not limited to, the property and property rights described in this Article II hereof, all Kern River water rights (appropriative, riparian, salvage, overlying and prescriptive) and, in particular, those water rights which are identified in the Miller-Haggin Agreement of 1888 (Exhibit K) (and subsequent amendments thereto) were interpreted in the Shaw Decree of 1900 (Exhibit L), and all other rights and interests of any nature whatsoever associated therewith.

2.2 TWI Assets. That portion of the Assets which the City will acquire from TWI pursuant to this Agreement are described as follows:

a. All of the water rights listed in the 1952 Agreement belonging to the Canal Companies and all other rights the Canal Companies may have subject to the terms of the 1952 Agreement, as the same are more fully described in the 1952 Agreement and in the instruments listed in Exhibit A attached hereto, and all other rights and interests of TWI of any nature whatsoever associated therewith.

b. All of the rights of TWI to store water in the Isabella Reservoir as successor in interest to KCCW under the 1964 Agreement, which Agreement is referred to in Exhibit A hereto, and all other rights and interests of TWI of any nature whatsoever associated therewith.

c. The James Canal and the Pioneer Canal (or its replacement, or the benefits of any agreement, settlement or judgment in lieu thereof relating thereto except such rights as are retained as set forth in Paragraph 2.2(k) hereof) and the rights-of-way and easements of the canals and the water rights and entitlements and any other interests in lands created by operation of the said canals, as the same are identified on the map attached hereto as Exhibit B and made a part hereof, and all

other rights and interests of TWI of any nature whatsoever associated therewith.

d. The water rights and entitlements and any other interests created by the operation of the Kern River Canal, as the same is identified on the map attached hereto as Exhibit B and made a part hereof, and all other rights and interests of TWI of any nature whatsoever associated therewith. The Kern River Canal Property is being transferred to WFC and thence to City in the manner described in Article IX hereof and in the form described in Article IV hereof.

e. Water rights represented by 53.3125 of the 72 outstanding shares of the unincorporated Castro Ditch and all other rights and interests of TWI of any nature whatsoever associated therewith.

f. Water rights represented by $\frac{3}{8}$ (37 1/2%) of the outstanding shares of the unincorporated Wilson Ditch and all other rights and interests of TWI of any nature whatsoever associated therewith.

g. A 20% interest in the Railroad Right to divert water from the Kern River and all other rights and interests of TWI of any nature whatsoever associated therewith.

h. All right, title and interest which TWI has in and to the land located in Kern County, California described in the deed being Exhibit C hereof, along the Kern River Channel consisting of approximately 2,800 acres, plus or minus, subject to the reservations and restrictions set forth in said deed.

i. All of the water which, as of the Closing, TWI has the right to remove from the Isabella Reservoir, and all other rights and interests of TWI of any nature whatsoever associated therewith.

j. A 20% interest in the Calloway Right to divert water from the Kern River and the portion of the Calloway Canal (also known as the Central Canal Company) lying south of the south line of Section 36, T. 28 S., R. 26 E., M.D.B. & M., the rights-of-way and the easements of said canal, and other interests in lands created by operation of said canal, as the same is identified on the map attached hereto as Exhibit B and the water rights and entitlements, and all other rights and interests of TWI of any nature whatsoever associated therewith.

k. All of the rights which may be confirmed to TWI and which TWI may acquire under a Water Exchange Agreement between TWI and the Kern County Water Agency, now being negotiated towards settlement for damages incurred by TWI as a result of construction of the Agency's Cross-Valley Canal across the Pioneer Canal right-of-way without provision for restoration of the Pioneer Canal water transportation function, including awards and compensation for such damage, whether by negotiation or by judicial determination. There is, however, expressly excepted from the operation of this subparagraph and reserved to TWI any and all awards and compensation paid or payable to TWI for (a) the taking of the right-of-way for said Cross-Valley Canal and for (b) land severance damages associated therewith. Said severance damages include damages to lands of TWI in the historic Pioneer Canal Service Area resulting from the failure or refusal of the Agency to restore the Pioneer Canal's water transportation function.

l. The water rights described in Paragraphs 2.2(a), (c), (d), (e), (f), (g), (h), and (j) hereof are certain rights to divert water from the Kern River in Kern County, California, and said rights are known and identified by the names used therein and have certain priority dates, priorities and quantities. Said priority dates, priorities and quantities are more particularly described in the Miller-Haggin Agreement of 1888 (Exhibit K) and

subsequent amendments thereto and were interpreted in the Shaw Decree of 1900 (Exhibit L), and the transfer herein of said water rights is intended to include said priority dates, priorities and quantities enumerated in said documents.

m. All of the rights to payback water owed by North Kern but not yet delivered to TWI as of the Closing.

n. Carrier Canal and the right-of-way and easements of said Canal and the water rights and entitlements and any other interests created by operation of said Canal, as the same is defined on the map attached hereto as Exhibit B and made a part hereof, and all other rights and interests of TWI of any nature whatsoever associated therewith.

2.3 Kern Island Assets. That portion of the Assets which the City will acquire from Kern Island pursuant to this Agreement are all assets of Kern Island, including, but not limited to the following:

a. All of the physical properties which are associated with the canal system located on the rights-of-way which are identified on the map attached hereto as Exhibit B-1.

b. All water rights and contract rights which are more particularly described in the documents listed in Exhibit A, and all other rights and interests of Kern Island of any nature whatsoever associated therewith. Said water rights include but are not limited to the Kern Island (first)-Eastside, the Buena Vista (first), the Stine, the Farmers, the Buena Vista (second) and the Kern Island (second), rights to divert water from the Kern River in Kern County, California, and said rights are known and identified by the names used herein and have certain priority dates, priorities and quantities. Said priority dates, priorities and quantities are more particularly described in the Miller-Haggin Agreement of 1888 (Exhibit K) and subsequent amendments thereto and were interpreted in the Shaw Decree of 1900 (Exhibit

L), and the transfer herein of said water rights is intended to include said priority dates, priorities and quantities enumerated in said documents.

c. Deposits for service to customers, if any.

d. All of the assets used in serving the Ashe Service Area (subject to contractual obligations of main extension refunds) more particularly described in Exhibit C-1, and Exhibit I, attached hereto and made a part hereof, and all other rights and interests of Kern Island of any nature whatsoever associated therewith, and notwithstanding any other provision hereof the groundwater and prescriptive pumping rights thereof.

2.4 KRC Assets. That portion of the Assets which the City will acquire from KRC pursuant to this Agreement are all assets of KRC, including, but not limited to the following:

a. All of the physical properties, which are associated with the canal system located on the rights-of-way, which are identified on the map attached hereto as Exhibit B-2.

b. All water rights and contract rights, which are more particularly described in the documents listed in Exhibit A, and all other rights and interests of any nature whatsoever associated therewith. Said water rights include but are not limited to the Lerdo portion (70%) of Beardsley (first); the Lerdo portion (49%) of McCord; and the Lerdo portion (70%) of Beardsley (second) rights to divert water from the Kern River, Kern County, California, and said rights are known and identified by the names used herein and have certain priority dates, priorities and quantities. Said priority dates, priorities and quantities are more particularly described in the Miller-Haggin Agreement of 1888 (Exhibit K) and subsequent amendments thereto and were interpreted in the Shaw Decree of 1900 (Exhibit L), and the transfer herein of said water rights is intended to include said priority dates, priorities and quantities enumerated in said documents.

c. Deposits for service to customers, if any.

2.5 TWI Equipment. That portion of the assets which the City will acquire from TWI pursuant to this Agreement shall include all of the equipment and personal property owned by TWI and presently being used in the operation and maintenance of the TWI Assets, the Kern Island Assets and the KRC Assets, excluding any equipment and personal property which may be retired or abandoned by TWI in the ordinary course of business between the date hereof and the Closing, and including such equipment and personal property which may be acquired by TWI to replace such equipment and personal property retired or abandoned. Such TWI equipment presently being so used is more particularly described in Exhibit D attached hereto and made a part hereof.

A R T I C L E III

Representations and Warranties of TWI

3.1 Corporate Identity. TWI is a corporation duly organized and existing under the laws of the State of Delaware and is qualified to do business as a foreign corporation in the State of California, with full and lawful power and authority to enter into this Agreement and to perform all covenants and obligations on its part to be performed hereunder.

3.2 Kern Island and KRC Ownership. TWI is the owner of 99,854.19 shares of the 99,890.792 shares and 2,451.75 shares of the 2,500 shares of issued and outstanding capital stock of Kern Island and KRC respectively. TWI has voted and consented to the sale and transfer of all of the Assets of Kern Island and KRC hereunder and hereby agree to hold harmless City and WFC from and against any and all claims of minority shareholders of Kern Island and KRC (including the defenses thereof).

3.3 Canal Companies Ownership. TWI is the sole successor in interest to the rights and interests of the Canal Compa-

nies and certain diversion rights set forth in the 1952 Agreement, and TWI owns and has the right to transfer, convey and assign such interests and water rights.

3.4 Isabella Reservoir. TWI is the sole successor in interest to the rights and interests of KCCW and its affiliated corporations in and to the 1964 Agreement pursuant to which TWI has the right to store water in the Isabella Reservoir on the terms and conditions therein stated, and has the right to transfer, convey and assign its storage rights and water stored under the 1964 Agreement as well as its interest in and to the 1964 Agreement to the City.

3.5 Canal Properties. TWI is the owner of the Pioneer and James Canals which are identified on the map attached hereto as Exhibit B-3 and is the owner of and has right to transfer, convey and assign the same and the water rights appurtenant thereto.

3.6 Kern River Canal. TWI is the owner of the Kern River Canal which is identified on the map attached hereto as Exhibit B-3 and is the owner of the water rights salvaged thereby and appurtenant thereto as described in the attached Exhibit J and has the right to transfer, convey and assign said canal and water rights. Further that to the date of execution hereof the water produced from said water rights was legally used anywhere within the Kern River service area of Kern County.

3.7 Castro Ditch. TWI owns and has the right to transfer, convey and assign the water rights represented by 53.3125 of the 72 outstanding shares of the Castro Ditch.

3.8 Wilson Ditch. TWI owns and has the right to transfer, convey and assign the water rights represented by 3/8 (37 1/2%) of the outstanding shares of the Wilson Ditch.

3.9 Railroad Right. TWI owns and has the right to transfer, convey and assign its interest in the Railroad Right to divert water from the Kern River.

3.10 Calloway Canal. TWI owns and has the right to transfer, convey and assign its interest in the water rights and ownership of the Calloway Canal.

3.11 TWI Equipment. TWI is the owner of the TWI Equipment which is described in Exhibit D hereto, and has the right to transfer, convey and sell the TWI Equipment to the City free and clear of all liens and encumbrances.

3.12 Water Rights. The warranties and representations contained in Paragraphs 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9 and 3.10 herein are intended to include the water rights identified in Article II, Paragraph 2.2 hereof and in particular to include the priority dates, priorities and quantities referred to in Paragraph 2.2(1) hereof.

A R T I C L E IV

Reversionary Interests, Canal Right-of-Way, Easements, and Interests in Lands

4.1 Canals-Fee Interest. With respect to all lands upon which canals or portions thereof described in this Agreement are located as to which Sellers have a fee interest but no fee interest in the real property adjoining or contiguous thereto, Sellers shall convey all right, title and interest which Sellers have in and to such property.

4.2 Canals-No Fee Interest. With respect to all lands upon which canals or portions thereof described in this Agreement are located as to which Sellers have no fee interest, Sellers shall convey all right, title and interest which Sellers have in and to such property.

4.3 Canals-Fee Interest-Easements. With respect to all lands upon which canals or portions thereof described in this Agreement are located as to which Sellers have a fee interest and also a fee interest in real estate adjoining or contiguous thereto as described in Exhibit F, attached hereto and made a part hereof, Sellers shall convey only an easement for use of such canals so long as such canals are used for the transportation of water and in the event this easement is not intentionally used for five consecutive years, then Sellers shall have the right to extinguish such easement on the discontinued or other use portion; provided, however, said right of reversion shall not be applicable with respect to the Kern River Canal, easements and rights-of-way, until the principal and interest of all WFC Leasehold Mortgage Bonds has been paid.

A R T I C L E V

Representations and Warranties of Kern Island

5.1 Corporate Identity. Kern Island is a corporation duly organized and existing under the laws of the State of California, and is a public utility water company subject to regulation by the California Public Utilities Commission with full and lawful power and authority to enter into this Agreement and to perform all covenants and obligations on its part to be performed hereunder, subject to any public utility obligations of Kern Island.

5.2 Properties Owned. Kern Island is the owner of all of the properties identified on the map attached hereto as Exhibit B-1.

5.3 Water Rights. The warranties and representations contained in Article V herein are intended to include the water rights identified in Article II, Paragraph 2.3 hereof

and in particular to include the priority dates, priorities and quantities referred to in Paragraph 2.3(b) hereof.

A R T I C L E VI

Representations and Warranties of KRC

6.1 Corporate Identity. KRC is a corporation duly organized and existing under the laws of the State of California, and is a public utility water company subject to regulation by the California Public Utilities Commission with full and lawful power and authority to enter into this Agreement and to perform all covenants and obligations on its part to be performed hereunder, subject to any public utility obligations of KRC.

6.2 Properties Owned. KRC is the owner of all of the properties identified on the map attached hereto as Exhibit B-2.

6.3 Water Rights. The warranties and representations contained in Article VI herein are intended to include the water rights identified in Article II, Paragraph 2.4 hereof and in particular to include the priority dates, priorities and quantities referred to in Paragraph 2.4(b) hereof.

A R T I C L E VII

Representations and Warranties of the City

7.1 Identity. The City is a body politic and corporate duly organized and validly existing under the laws of the State of California, acting under its Charter with full and lawful power and authority to enter into this Agreement and to perform all covenants and obligations on its part to be performed hereunder.

7.2 Eminent Domain. The City has threatened to institute and/or has instituted eminent domain proceedings in order to acquire all or a portion of the Assets, and the City acknowledges that TWI, Kern Island and KRC have been induced by such actual or threatened eminent domain proceedings to enter into this Agreement in order to settle and/or avoid such proceedings.

A R T I C L E VIII

Representations and Warranties of WFC

8.1 Corporate Identity. The WFC is a non-profit corporation duly organized and validly existing under the laws of the State of California.

8.2 Representations and Warranties. WFC has full and lawful power and authority to enter into this Agreement and to perform all covenants and obligations on its part to be performed hereunder, subject to the conditions herein set forth.

A R T I C L E IX

The Transaction

9.1 Terms of the Transaction and Covenants of the Sellers.

Sellers, in lieu of acquisition by the City by exercise of its power of eminent domain, hereby agree to sell, convey, transfer, assign and deliver the Assets, exclusive of the Kern River Canal Property, to the City and the Kern River Canal Property to WFC, in consideration of the Sellers receiving from WFC on the Bond Closing Date (i) the Priority Payment and (ii) the Kern River Canal Purchase Payment and

from the City (i) the Kern Island Payment and (ii) the City hereby agreeing to pay from a special fund of the City the Purchase Payments, the reasonable and necessary costs and expenses of WFC as set forth in Covenant 9 of Paragraph 10.5 hereof and to make the Deferred Payment as provided in Article XI hereof.

9.2 Covenants of WFC.

WFC hereby agrees to do the following:

(i) Subject to the conditions herein set forth, issue and sell the Revenue Bonds in an aggregate principal amount sufficient to pay \$9,500,000 of the Priority Payment, plus all costs and expenses relating to the issuance and sale of the Revenue Bonds, and to provide money for a bond reserve fund and the Corporate Operations Fund,

(ii) Pay the Sellers the Priority Payment in consideration of the right to receive the Purchase Payments and the reasonable and necessary costs and expenses of the WFC which the City is obligated to make under this Agreement,

(iii) Subject to the conditions herein set forth, issue and sell the WFC Leasehold Mortgage Bonds in an aggregate principal amount sufficient to pay the Kern River Canal Purchase Payment, plus all costs and expenses relating to the issuance and sale of the said WFC Leasehold Mortgage Bonds,

(iv) Purchase from the Sellers the Kern River Canal Property, and pay the Sellers the Kern River Canal Purchase Payment,

(v) Transfer to the City by Deed of Gift WFC's right, title and interest in the Kern River Canal

Property, retaining an estate for 40 years, unless such retained estate is terminated earlier by the payment of or provision having been made for the payment of the principal and interest on the WFC Leasehold Mortgage Bonds, and

(vi) Lease to the City for a term of 30 years and 6 months its interest in the Kern River Canal Property in consideration of the City making the Kern River Canal Lease Payments.

9.3 Covenants of the City.

The City hereby agrees to do the following:

(i) Accept all right, title and interest in the Assets conveyed to the City,

(ii) Pay from a special fund of the City the Purchase Payments, in the manner set forth in Article X hereof,

(iii) Pay from a special fund of the City \$3,500,000 of the Priority Payment.

(iv) Pay the WFC Expenses as set forth in Covenant 9 of Paragraph 10.5 hereof,

(v) Accept the Deed of Gift of the Kern River Canal Property from WFC, and

(vi) Pay the Kern River Canal Lease Payments when due.

9.4 General.

Except for payments to be made in the future as hereir provided, the foregoing transactions will occur concurrentl at the Bond Closing.

\$9,500,000 of the Priority Payment and the Kern River Canal Purchase Payment shall be paid by the Trustees on behalf of WFC jointly to Sellers in cash at the Bond

Closing Date from the proceeds of the sale of the Revenue Bonds and the WFC Leasehold Mortgage Bonds respectively. \$3,500,000 of the Priority Payment shall be paid to Sellers in cash on the Bond Closing Date. Sellers will allocate the Priority Payment and the Kern River Canal Purchase Payment among themselves. The Deferred Payment, which represents additional consideration for the TWI Assets, shall be paid to TWI in accordance with the provisions of Article XI hereof.

A R T I C L E X

Payment of the Purchase Payments and Non-Profit Corporation Expenses

10.1 Special Fund Pledge. The Purchase Payments and the WFC Expenses shall be and are special obligations of the City and shall be and are secured by a pledge of and lien upon, and shall be and are a charge upon, and shall be and are payable solely from, the Net Revenues and said Net Revenues are hereby pledged, charged and assigned for the security of the Purchase Payments and the WFC Expenses.

The Net Revenues and any interest earned on such revenues shall constitute a trust fund for the security and payment of the Purchase Payments and the WFC Expenses and so long as any of the Purchase Payments and the WFC Expenses are unpaid said Net Revenues and interest thereon shall not be used for any other purpose, except as permitted by this Agreement, and shall be held in trust for the benefit of the WFC and the Revenue Bondholders and shall be applied pursuant to this Agreement, or to this Agreement as modified pursuant to its provisions.

Nothing in this Agreement shall preclude the City from prepaying all or any part of the Purchase Payments. Any such prepayment made shall be designated by the City for

the retirement of the Revenue Bonds and the WFC shall direct the Revenue Trustee to call such Revenue Bonds or discharge the Revenue Indenture in the manner to be provided in the Revenue Indenture.

The general fund of the City is not liable for the payment of the Purchase Payments and the WFC Expenses, nor is the credit or taxing power of the City pledged for the payment of the Purchase Payments and the WFC Expenses. Neither the Sellers, the WFC, the Revenue Bondholders nor the Revenue Trustee shall compel the exercise of the taxing power by the City or the forfeiture of any of its property. The Purchase Payments and the WFC Expenses are not a debt of the City nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, or upon any of its income, receipts, or revenues, except the Net Revenues which are, under the terms of this Agreement, pledged to the payment of said Purchase Payments and the WFC Expenses.

10.2 Distribution of Bond Proceeds. On the Bond Closing Date WFC shall pay the proceeds from the sale of the Bonds to the Trustees and shall instruct the Trustees to (i) pay to Sellers \$9,500,000 in satisfaction of the Priority Payment, (ii) pay to Sellers \$2,000,000 in satisfaction of the Kern River Canal Purchase Payment, (iii) pay all costs and expenses incurred by the WFC in connection with the authorization, issuance and sale of the Bonds; and (iv) set aside and deposit the remainder of the proceeds received from such sale in the respective funds required under the Revenue Indenture.

10.3 Purchase Payments. The City agrees to pay to the Revenue Trustee the Purchase Payments in 61 semi-annual installments on or before the 5th day next preceding each Revenue Bond interest payment date, and each Revenue Bond

interest and principal payment date, of the Revenue Bonds. The semi-annual payment due prior to the Revenue Bond interest payment date shall be equal to the next succeeding interest payment due and payable by the Revenue Trustee on the Revenue Bonds. The semi-annual payment due prior to the Revenue Bond interest and principal payment date shall be equal to the next succeeding interest and principal payment due and payable by the Revenue Trustee on the Revenue Bonds. Said Purchase Payments shall be paid to the Revenue Trustee on behalf of the WFC from the Purchase Payments Fund. The City also agrees to pay interest on any overdue installments of the Purchase Payments at a rate equal to the net interest cost to the WFC on the Revenue Bonds for the period of time such interest is payable, said interest to be payable from the Surplus Fund.

10.4 City Funds. Prior to the Closing the City shall create in the City Treasury of the City the following special Funds (each of which special Funds the City hereby covenants and agrees to maintain or cause to be maintained so long as any Bonds are outstanding):

1. Special Water Revenue Fund (hereinafter sometimes called the "Revenue Fund");
2. City of Bakersfield Water Facilities Corporation Purchase Payments Fund (hereinafter sometimes called "Purchase Payments Fund");
3. Assets Maintenance and Operation Fund (hereinafter sometimes called "Maintenance and Operation Fund"); and
4. Surplus Fund.

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On or before the Bond Closing Date, the City, from funds available to the City in that Fiscal Year, shall deposit in the Maintenance and Operation Fund the amount budgeted by the City for Maintenance and Operation Costs of the Assets for the period from the Bond Closing Date to the end of the succeeding Fiscal Year.

The City shall deposit all Revenues as received into the Revenue Fund, and commencing on the first day of the calendar month next succeeding the month in which the Bond Closing Date occurs and on the first day of each calendar month thereafter the City shall transfer from Revenue Fund monies as provided in this Agreement and in the following order of priority:

First, the City shall transfer from the Revenue Fund and deposit in the Maintenance and Operation Fund an amount equal to that required to pay one-twelfth of the estimated amount to be budgeted by the City for Maintenance and Operation Costs of the Assets for the next ensuing Fiscal Year so that, commencing with the second Fiscal Year after the Bond Closing Date, there shall have been deposited prior to each July 1st of each Fiscal Year an amount equal to the amount budgeted for said Fiscal Year. Monies deposited in the Maintenance and Operation Fund pursuant to this paragraph shall be used to pay the Maintenance and Operation Costs of the Assets as they become due and payable.

Second, so long as the Purchase Payments are unpaid, the City shall set aside and transfer from the Revenue Fund to the Purchase Payments Fund amounts equal to that required to pay one-sixth of the semi-annual Purchase Payments installment becoming due and

payable on the next succeeding Revenue Bond interest payment date, and one-twelfth of the annual Purchase Payments installment becoming due and payable on the next succeeding Revenue Bond principal payment date, until the requisite semi-annual installment is on deposit in such Fund at least fifteen days prior to the date the Revenue Trustee must pay the semi-annual installment of interest or the annual installment of principal on the Revenue Bonds. During the period from the month next succeeding the month in which the Bond Closing Date occurs through the month immediately preceding the first interest payment date and the first principal payment date on the Revenue Bonds, such monthly payments shall be sufficient on a monthly prorata basis to pay the Purchase Payments installment becoming due and payable prior to said first interest and principal payment date. If the Revenues are not received in substantially equal monthly amounts during each year the City either (a) shall retain in the Revenue Fund in months of disproportionately larger receipts monies sufficient to make the monthly transfers herein required or (b) shall prepay in such months the required amounts of the monthly transfer to the extent of such excess. Any amount required to be transferred to the Purchase Payments Fund may be prepaid in whole or in part by being earlier transferred to the Purchase Payments Fund and in that event any subsequent monthly transfer which has been so prepaid need not be made. Money set aside and placed in said Purchase Payments Fund shall remain therein until from time to time

expended for the payment of the Purchase Payments, and shall not be used for any other purpose whatever, except as provided in Paragraph 10.6 hereof. Any money remaining in said Purchase Payments Fund after all installments of the Purchase Payments have been made shall be transferred to the Revenue Fund.

Third, the sum needed to pay all then outstanding WFC Expenses shall be paid from the Revenue Fund to the Revenue Trustee for deposit in the Corporate Operations Fund created under the Revenue Indenture.

Fourth, after the monthly transfers heretofore required or permitted have been made and all other covenants of the City contained herein have been duly performed, the City shall transfer any money remaining in the Revenue Fund to the Surplus Fund. Money transferred to the Surplus Fund prior to each anniversary date of the Revenue Bonds shall remain in the Surplus Fund until said anniversary date, except that money in the Surplus Fund may be transferred to the Purchase Payments Fund during said period to make up any deficit in the Purchase Payments Fund, may be paid to the Revenue Trustee for the payment of WFC Expenses, may be used to pay any interest due on any overdue installments of the Purchase Payments, and, to the extent not needed for the foregoing purposes, on said anniversary date shall first be used to reimburse the City for: (i) Kern River Canal Lease Payments paid by the City during the preceding 12 month period; (ii) Kern River Canal tax and/or assessment payments and Maintenance and Operation Expenses for the Kern River Canal paid and incurred by

the City during the preceding 12 month period; and (iii) City funds advanced and deposited in the Maintenance and Operation Fund for Maintenance and Operation costs of the Assets. Any remaining money in the Surplus Fund may be then used in any or all of the following ways: (a) to prepay any Purchase Payments installments prior to the due dates thereof, (b) to pay the costs of extensions of, additions to or improvements of the Assets, or (c) for any other lawful City purpose. Notwithstanding the foregoing the City shall pay Sellers and TWI the annual amount that may be due and payable to Sellers and TWI pursuant to Article XI hereof whether or not there are funds in the Surplus Fund.

10.5 Covenants. So long as any of the Purchase Payments, Deferred Payment, Deferred Interest and Current Interest, are unpaid, the City makes the following covenants with the Sellers and the WFC for the benefit of the Sellers, the WFC and the Revenue Bondholders (to be performed by the City or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure said payments; provided, however, that said covenants shall not require the City to expend any funds other than the Revenues.

Covenant 1. Punctual Payment. The City will duly and punctually pay or cause to be paid all payments under this Agreement in accordance herewith and the payments into the Purchase Payments Fund and to WFC will be made all in strict conformity with the terms of this Agreement, but solely from

Revenues. The City will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement, and agrees that the timely making of such payment and performance is of the essence of this Agreement with the Sellers and the WFC.

Covenant 2. Discharge Claims and Taxes. The City shall pay from the Maintenance and Operation Fund and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the operation and maintenance of the Assets which, if unpaid, may become a lien or charge upon the Revenues prior or superior to the lien created by this Agreement or may impair the security of the Revenue Bonds. The City shall also pay from the Revenue Fund all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Assets or upon any part thereof or upon any of the Revenues.

Covenant 3. Operate Assets; Maintenance and Operation Budget. The City will operate the Assets in an efficient and economical manner and will operate, maintain and preserve the Assets in good repair and working order.

The City shall file with the Revenue Trustee at or prior to the Closing a budget covering the estimated Maintenance and Operation Costs of the Assets for the remainder of the Fiscal Year in which the Closing occurs, and thereafter, before the first day of each Fiscal Year, commencing with the Fiscal Year beginning July 1st of the Fiscal Year succeeding the Fiscal Year in which the Closing occurs, a budget covering the estimated Maintenance and Operation Costs of the Assets for the said Fiscal Year. The City may at any time revise any such budget and shall thereupon promptly file a copy of any such revised budget with the Revenue Trustee.

Covenant 4. Against Sale. The Assets, the Revenues and funds created hereunder shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of this Agreement. The City will not enter into any agreement which impairs the operation of the Assets or any of them or which otherwise would impair the rights of the Revenue Bondholders, WFC or TWI with respect to the Revenues. Any real or personal property constituting any part of the Assets which has become nonoperative or which is not needed for the efficient and proper operation of the Assets, or any material or equipment which has worn out, may be sold at not less than the market value thereof without the consent of Sellers, WFC or the Revenue Bondholders if such sale will not reduce Revenues and if all of the net proceeds of such sale are deposited in the Revenue Fund. The foregoing does not preclude the sale or transfer of Kern Island Assets to Kern Delta, or the Beardsley and/or Calloway Canals to North Kern concurrently with or after the Closing.

Covenant 5. Insurance.

(a) The City shall procure and maintain insurance on the Assets against such risks (including insurance against accident to or destruction of the Assets) as are usually insured against in connection with similar enterprises. Such insurance shall be adequate in amount and as to the risks insured against, and shall be maintained with responsible insurers. Such insurance against public liability and property damage shall insure WFC and its members, directors, officers, agents and employees and the Revenue Trustee from all direct or contingent loss or liability for damages for personal injury or death occasioned by the operation of the Assets. Any proceeds of any such insurance against accident

to or destruction of the Assets collected by the City in the event of any loss or damage shall be applied to the repair or reconstruction or other improvement of the Assets. The City shall begin such work of repair, reconstruction or improvement promptly after such loss or damage shall occur and shall continue and properly complete the same as expeditiously as possible. The City shall pay or cause to be paid out of the proceeds of such insurance, and from any other available funds, all costs and expenses in connection with such repair, reconstruction or improvement so that the same shall be completed and the Assets shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or improvement, the excess shall be paid into the Surplus Fund.

(b) The City shall procure and maintain adequate fidelity insurance or bonds on all officers and employees handling or responsible for any Revenues or funds of the Assets. Such fidelity insurance or bonds may be maintained as a part of the City's comprehensive fidelity insurance and need not be separately provided for the purposes of this Agreement.

(c) The City shall also maintain with responsible insurers workmen's compensation insurance on all employees employed in connection with the Assets.

(d) The City shall deliver to the Revenue Trustee and to TWI in the month of July in each Fiscal Year a schedule, in such detail as the Revenue Trustee in its discretion may request, setting forth the insurance policies then in force pursuant to this covenant, the names of the insurers which have issued the policies, the amounts thereof and the property

and risks covered thereby. Each such insurance policy shall require that the Revenue Trustee shall be given 30 days' notice of any intended cancellation thereof, or reduction of the coverage provided hereby. If so requested in writing by the Revenue Trustee, the City shall also deliver to the Revenue Trustee duplicate originals or certified copies of each insurance policy described in such schedule. Delivery to the Revenue Trustee of the insurance policies under the provisions of this covenant shall not confer responsibility upon the Revenue Trustee as to the sufficiency of coverage or amounts of said policies.

Covenant 6. Records and Accounts, Inspection of Records.

(a) The City will keep proper books of record and accounts of the Assets and the Revenues separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Assets and the Revenues. Said books shall at all times during business hours be subject to the inspection of the Revenue Trustee, the Sellers, WFC or the Bond Holders of not less than ten percent (10%) of the principal amount of the Revenue Bonds then outstanding or their representatives authorized in writing.

(b) The City will prepare and deliver to the Revenue Trustee and to TWI annually within four months after the close of each Fiscal Year (commencing with the Fiscal Year in which the Closing occurs):

(1) financial statement of the Assets and the Revenues for the preceding fiscal year, prepared in accordance with generally accepted accounting principles applied on a consistent basis from year to year, including a balance sheet (which shall include a statement showing the balances in each fund required to be established under the provisions of this Agreement), statement of income, statement of retained earnings, and statement of changes in financial position, which

financial statements shall be examined by and include the certificate or opinion of an independent certified public accountant or a firm of independent certified public accountants, such certificate or opinion to include a statement as to the manner and extent to which the City has complied with the provisions of this Agreement as it relates to said financial statements; and

(2) a general statement of the physical condition of the Assets.

The City will furnish a copy of the aforesaid statements to any Revenue Bondholder upon request, and will furnish to the Revenue Trustee such reasonable number of copies thereof (not exceeding 100 copies) as may be required by the Revenue Trustee for distribution to investment bankers, security dealers and others interested in the Bonds. The Revenue Trustee shall not be required to incur any nonreimbursable expenses in making such distribution.

TWI, its representatives, accountants and counsel shall have the right at any reasonable time to examine the books, records, contracts and documents of the City relating to the Assets and the operation thereof, and during such period TWI shall have the right at any reasonable time, and from time to time, to have access to books and accounts and, to cause an audit of such books, records, contracts and documents to be conducted by a certified public accountant or a firm of certified public accountants of its selection. If the Net Revenue or Revenues of the TWI Assets are found after such an examination by TWI or its accountants to be greater than one percent (1%) more than the amount of the Net Revenues or Revenues of the TWI Assets as reported to TWI by the City or WFC, City shall immediately pay to TWI the cost of such audit as well as any additional amounts due under this Agreement; otherwise the cost of such audit shall be paid by TWI. City and WFC shall concurrently furnish TWI one copy of all

reports and certificates furnished to the Revenue Trustee under the Revenue Indenture.

Covenant 7. Rates and Charges. The City will fix, prescribe, and collect such rates, fees and charges for the services, facilities and water of the Assets which, after making allowances for contingencies and error in the estimates, shall be at least sufficient to pay the following amounts in the order set forth:

(a) All current expenses for the Maintenance and Operation Costs of the Assets.

(b) The Purchase Payments as they become due and payable;

(c) All payments to meet any other obligations of the City hereunder, including WFC Expenses, but exclusive of the Deferred Payments, which are charges, liens, encumbrances upon or payable from the Revenues of the Assets;

and the charges shall be so fixed that during the then immediately ensuing period of 12 months after the payment of item designated (a) of this covenant the Net Revenues shall be at least the sum of (i) 1.25 times the amounts payable during such period under said (b) plus (ii) 1 times the amounts payable during such period under item designated (c); provided, however, if prior to each July 1 the City has deposited in the Maintenance and Operation Fund the amount budgeted to pay the Maintenance and Operation Costs for the succeeding Fiscal Year, then the City shall only be required to fix the charges so that there shall be Revenues during such 12 month period at least equal to the sum of (i) 1.25 times the amounts payable during such period under said (b) plus (ii) 1 times the amounts payable during such period under item designated (c). The City may make adjustments

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from time to time in such rates, fees and charges and may make such classification thereof as it deems necessary, but shall not reduce such rates, fees and charges below those then in effect unless the Revenues from such reduced rates will at all times be sufficient to meet the requirements of this covenant. On any water that the City does not have committed on a long time contract, City will set the rates and charges as high as reasonably possible with the intent of paying the balance of the Deferred Payment, if any, and interest, if any, within the remaining time of the contract.

Covenant 8. Limits on Additional Debt. The City will issue no revenue bonds, revenue notes or other similar evidences of indebtedness on a parity with or having any priority in payment out of the Revenues over any of the obligations incurred hereunder.

Covenant 9. WFC Expenses. The City will pay out of the Revenues to WFC as additional consideration hereunder an amount equal to all taxes, assessments and reasonable and necessary administrative costs of WFC, including salaries, wages, all expenses, compensation and indemnification of the Revenue Trustee payable by WFC under the Revenue Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary administrative costs of WFC or charges required to be paid by it to maintain its corporate existence or to comply with the terms of the Revenue Indenture. Within 10 days of receipt by the Treasurer of written request from WFC or the Revenue Trustee setting forth the amount, purpose and date of payment of any such costs, the Treasurer shall pay the amount of said costs from the Revenue Fund or the Surplus Fund, as provided in Paragraph 10.4 hereof, to the Revenue Trustee for deposit in the Corporate Operations Fund for payment therefrom as provided in the Revenue Indenture.

Covenant 10. Eminent Domain Proceeds.

1. Exercise of Eminent Domain Prior to Closing. In the event that prior to the Closing all or any part of the Assets are transferred by Sellers upon the exercise of the power of eminent domain by any governmental authority other than the City, Sellers shall hold in trust for the City any amounts received by it pursuant thereto, and at the Closing shall pay over such amounts to the City. There shall be no reduction of the Purchase Payments by reason of such exercise of power of eminent domain, or any settlement or final judgment thereof prior to the Closing and the City shall be obligated to make all payments to the Sellers as herein provided notwithstanding that Sellers may transfer to the City less than all of the Assets herein described by reason of such exercise of power of eminent domain. Sellers shall not be deemed to have breached any of their respective obligations under this Agreement if, by reason of such exercise of power of eminent domain, less than all of the Assets are transferred to the City pursuant to this Agreement.

2. If on or after the Bond Closing Date all or any part of the Assets, exclusive of Kern Island, shall be taken by eminent domain proceedings, the net proceeds realized by the City therefrom shall be deposited by the City with the Revenue Trustee and deposited by the Revenue Trustee in a special fund in trust and applied and disbursed by the Revenue Trustee subject to the following conditions:

(a) If such proceeds are sufficient to provide for the payment of the remaining installments of Purchase Payments, so as to provide sufficient money to retire all of the Revenue Bonds then outstanding, either by redemption at the then current redemption prices or by payment at maturity or partly by redemption prior to maturity and partly by

payment at maturity, the Revenue Trustee shall apply such monies to such retirement. The balance of such monies, if any, shall be transferred to the Surplus Fund and shall be available for use as provided therein.

(b) If such proceeds are insufficient to provide the monies required for the purposes set forth in the foregoing subsection (a), the City Council of the City shall by resolution determine to apply such proceeds for one of the following purposes, subject to the conditions hereinafter in this subsection (b) set forth:

(1) The City may determine to apply such proceeds to the prepayment of unpaid installments of Purchase Payments. In that event, such proceeds shall be applied to the purchase or redemption of Revenue Bonds then outstanding. If the Revenue Trustee is unable to purchase or redeem Revenue Bonds in amounts sufficient to exhaust the monies available, the remainder of such monies shall be held in trust by the Revenue Trustee and applied to the payment of such Revenue Bonds as the same become due by their terms, and, pending such application, such remaining monies may be invested by the Revenue Trustee.

(2) The City may determine to apply such proceeds to the cost of additions or improvements to the Assets if (A) the City first secures and files with the Revenue Trustee a report of a qualified independent engineer showing (i) the loss in annual Revenues, if any, suffered, or to be suffered, by the City by reason of such eminent domain proceedings, (ii) a general description of the additions or improvements then proposed to be acquired by the City from such proceeds, and (iii) an estimate of the additional Revenues to be derived from such additions or improvements; and (B) the Revenue Trustee, on the basis of such engineer's report, determines that such additional Revenues will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the City to meet its obligations hereunder will not be substantially impaired. Such determination by the Revenue Trustee shall be final and conclusive. The City shall then promptly proceed with the construction of the additions or improvements substantially in accordance with such engineer's report. Payments for such construction shall be made by the City from such proceeds, which shall be deposited by the Revenue Trustee with the City for such purpose. Any balance of such proceeds not required by the City for the purposes aforesaid shall be paid over by the Revenue Trustee for deposit by the City in the Revenue Fund and applied only as provided in Paragraph 10.4 hereof.

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(3) If such eminent domain proceedings have had no effect, or at the most a relatively immaterial effect, upon the Revenues, and a qualified independent engineer so concludes in a certificate filed with the Revenue Trustee, the Revenue Trustee may so determine. Such determination by the Revenue Trustee shall be final and conclusive, and, upon notice thereof to the City, the Revenue Trustee shall forthwith deposit such proceeds in the Revenue Fund, to be applied only as provided in Paragraph 10.4 hereof.

10.6 Investment of Money. Money in any Fund not needed in said Fund in cash may be invested in any obligation permitted by law for the investment of City funds. Obligations purchased as an investment of monies in any Funds created by this Agreement shall be deemed at all times to be a part of such Funds and any profit realized from the investment shall be credited to such Funds and any loss resulting from such investment shall be charged to such Funds and the interest accruing thereunder shall be credited to such Funds. All interest earned on investment of money in any Fund may be used first, to pay the obligations payable from said Fund and second, to pay any other obligations due and payable hereunder. The City shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it is necessary to do so in order to provide monies to meet any payment or transfer from such Funds. For the purpose of determining at any given time the balance in any such Fund, any such investment constituting a part of such Fund shall be valued at the then estimated or appraised market value of such investment.

A R T I C L E XI

Payment of the Deferred Payment

11.1 Deferred Payment. The provisions of this Article shall be in effect only on and after the Bond Closing Date.

The Deferred Payment, the Deferred Interest and the Current Interest shall be and are special obligations of the City and shall be and are secured by a pledge of and lien upon, and shall be and are a charge upon, and are payable solely from, the Revenues of the TWI Assets, subject to the priorities as to payment set forth in this Agreement.

The Deferred Interest rate and the Current Interest rate shall be equal to the net effective rate of interest of the Revenue Bonds calculated on the date of issuance by taking into consideration the Bond coupon rate or rates of interest and the sale price of the Bonds. Interest shall not be due and payable on unpaid Deferred Interest or unpaid Current Interest.

The Deferred Payment, the Deferred Interest and the Current Interest shall be payable on the Deferred Payment Dates in the amounts and in the manner hereinafter set forth.

On each Deferred Payment Date the City agrees to pay TWI 50% of the Revenues Of The TWI Assets in excess of \$1,500,000 earned by the City during the 12 months ending two months prior to the Deferred Payment Date.

Said annual payments shall be applied to pay the Deferred Payment, any accrued Deferred Interest and any accrued Current Interest in the following order of priority:

(i) On each Deferred Payment Date from the Bond Closing Date to and including the 10th anniversary Deferred Payment Date, first, to the payment of the Deferred Payment and second, to the payment of Deferred Interest if the Deferred Payment has been paid in full.

(ii) On each Deferred Payment Date from the 11th anniversary Deferred Payment Date until the Deferred Payment and interest thereon have been paid in full, first, to the payment of Current Interest, second, to the payment of the Deferred Payment and third, to the payment of Deferred Interest if the Current Interest and Deferred Payment have been paid in full.

Commencing on the 30th anniversary Deferred Payment Date and annually thereafter, the City hereby agrees to make annual payments to TWI toward the payment of the Deferred Payment, the Deferred Interest and the Current Interest in an amount equal to 50% of the Revenues of the TWI Assets in excess of \$750,000 received by the City during the 12 months ending two months prior to the Deferred Payment Date, applied in the order of priority in clause (ii) of this Paragraph 11.1 hereof.

If, after the payments made on the 40th anniversary Deferred Payment Date, the City has duly performed and observed all of its obligations and covenants hereunder but nevertheless the Deferred Payment and all Deferred Interest and Current Interest has not been paid in full, all obligations to make such payments shall cease and the obligation therefor shall be cancelled.

A R T I C L E XII

Conditions of Sale

12.1 Assumption of Contractual Obligations of TWI, Kern Island and KRC. As of the Bond Closing Date, the City shall assume all public service obligations of Kern Island and KRC existing at the time of Closing, including without limitation, the obligations of such companies to furnish water service to the customers of their respective service areas, and obligations described in Exhibits attached hereto.

If there are other obligations of Seller regarding water service or the use of the Assets transferred hereby and not specifically noted herein, such obligations shall be met by the City; provided, however, any such other obligations which are of a substantial nature shall remain the obligations of Sellers and shall not be the obligations of the City.

It is the intent of the parties hereto that upon the Closing the City will be substituted for the Sellers as the owner and operator of the Assets and that Exhibits attached hereto set forth substantially all of the rights and obligations to be transferred to and assumed by the City; however, the parties acknowledge that certain rights and obligations of the Sellers arising in the ordinary course of operating the Assets may have been inadvertently omitted from such Exhibits, and that such rights shall inure to the benefit of the City and such obligations shall be met by the City, except as hereinbefore provided.

12.2 Assumption of Obligations-Isabella Reservoir. With respect to the rights of TWI to store water in the Isabella Reservoir, the City shall assume the obligations of TWI as successor to KCCW and shall pay when due all such amounts payable to North Kern described in Exhibit E, attached hereto and made a part hereof, pursuant to an agreement listed in Exhibit A.

12.3 Assumption of Obligation of Main Extension Contracts of Ashe Service Area of Kern Island. City shall assume the obligations of Main Extension Contracts entered into by Ashe Service Area of Kern Island, pursuant to the authority theretofore authorized by the Public Utilities Commission of the State of California, prior to the Closing and shall pay when due all such amounts.

12.4 Prior Approvals. The conveyances contemplated to

be made hereunder on the Bond Closing Date shall be conditioned upon and subject to the prior receipt of the consents or approval of the California Public Utilities Commission, if necessary.

12.5 SEC Requirements. The conveyances hereunder are further conditioned upon receipt prior to the Bond Closing Date of either (a) a letter from the Division of Corporation Finance of the United States Securities and Exchange Commission stating said Division will not recommend any action to the Commission if the proposed offerings of the Bonds are made without prior compliance with the registration requirements of the Securities Act of 1933, as amended, or qualification of the Indenture under the Trust Indenture Act of 1939, and no proceedings inconsistent with said "no action" letter shall have been instituted by the Commission as of the Bond Closing Date, or (b) an opinion of counsel acceptable to the City, Sellers and WFC and their counsel stating that in the opinion of such counsel the issuance of the Bonds are exempt from registration under the Securities Act of 1933, as amended, and that qualification of the Indenture under the Trust Indenture Act of 1939 is not required.

12.6 IRS Ruling. WFC shall forthwith upon execution of this Agreement cause to be filed an application with the Internal Revenue Service requesting a ruling or rulings that interest on the Bonds will be exempt from federal income taxes under existing Acts of Congress as presently interpreted and construed, that WFC will derive no taxable income from the transactions contemplated herein, and for such other rulings as counsel for WFC may reasonably request. If, in the opinion of special counsel retained by WFC in connection with the sale of the Bonds the tax ruling obtained is unsatisfactory in substance or in form, the matter in such ruling considered to be unsatisfactory shall be set

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forth in a letter to the counsel for the Sellers and the City stating the reason such matters are considered unsatisfactory, and receipt by said parties of a letter of such nature shall be a cause of termination of this Agreement; provided, however (i) should Sellers desire to purchase the Bonds itself, it may waive any objection, or (ii) should Sellers, the City or WFC elect, it shall have 90 days from the date of said letter to cure such matters as may be deemed unsatisfactory, during which period the other parties shall lend their full cooperation in achieving such cure and in either event of (i) waiver or (ii) cure, this Agreement shall be and remain in full force and effect.

12.7 Discharge of Claims by Sellers. Except for the obligations to be assumed by City pursuant to Paragraph 12.1 hereof, Sellers shall discharge all obligations and claims arising from Sellers' ownership and operation of the Assets, except Lake Isabella payments as provided in the 1964 Agreement and main line extension payments, and shall hold the City harmless therefrom, including any costs of the defense thereof.

12.8 Access to Records. From and after the date of this Agreement until the Bond Closing Date, Sellers will give the City, WFC and their representatives and counsel full access at any reasonable time to the Assets and will permit them to examine all books, records, contracts and documents relating thereto.

12.9 Operations of Assets Prior to Closing. From and after the date hereof and until the Bond Closing Date Sellers will operate and maintain the Assets in substantially the same manner as the Assets are, as of the date hereof, being operated and maintained, and during such period Sellers will not enter into or extend any existing contracts affect-

ing the Assets or the operation of the Assets which would provide for a termination date in such contracts beyond the Closing, without the prior written consent of the City. Sellers agree that they shall not enter into, between the date hereof and the Closing, any transaction affecting the Assets to be sold hereunder other than in the usual and ordinary course of business. Sellers agree to maintain in effect all insurance policies presently in effect insuring the Assets being sold, up to and including the Closing. All payments received for water shall be apportioned between Sellers and City as of the Closing and payment therefor, without interest, shall be made as soon as practicable after the Closing. City shall have no obligation to collect unpaid accounts owing Sellers.

12.10 Rule 15 PUC. Notwithstanding anything to the contrary contained herein, from and after the Closing date, those certain lands within the boundaries set forth on the map in Exhibit C-1 attached hereto and made a part hereof, shall be provided water service on the same basis and subject to the same rules and regulations as though the water company sold hereunder remained a public utility company subject to the rules of the California Public Utility Commission, as relates to the main line extension provisions of Rule 15 and other related provisions of the Public Utility Commission Rules relating to main line extension. In the event of any demand or dispute regarding the application of any provisions of said Rules, either party hereto shall seek arbitration in compliance with the rules and procedures of the American Arbitration Association.

12.11 Legal Action. The following legal actions will be initiated in the Kern County Superior Court and will be com-

pleted in a manner acceptable to the City and WFC and their counsel simultaneously with or prior to the Bond Closing Date and no other provisions in this Agreement shall preclude the City's maintaining and completing the following listed legal actions.

- a. An action validating this Agreement, and
- b. An action or actions validating the Water Contracts.

The following legal actions have or may be initiated in the Kern County Superior Court:

- c. An action in eminent domain condemning the Assets used in servicing the Ashe Service Area;
- d. An action in eminent domain condemning the Kern Island Assets; and/or
- e. An action in eminent domain condemning the KRC Assets.

12.12 Sellers' Records: Sellers shall provide the City with all of its past and present records, contracts, customer lists, maps and information of all canals and service areas which Sellers have served throughout their ownership of the various water rights and property rights in and to the Kern River as required by the City. However, the City shall allow the Sellers in the future access to and use of any and all records covered hereunder. By this paragraph Sellers agree to convey and deliver to the City any and all records they have or have maintained in relation to any and all operations and management of any and all of the properties to be conveyed and transferred under this Agreement for the City's use for any purposes which benefit the City's operations and/or management of these properties.

12.13 Correspondence and Payments. City shall promptly forward to Sellers all correspondence, mail, payments and docu-

ments received by City after the Bond Closing Date which relate to the operations of the Assets sold hereunder occurring prior to the Closing, except that City may retain any letters and documents relating to transactions occurring after the Closing for which City is responsible hereunder. Sellers agree to endorse to City all checks and other forms of payment payable to Sellers and to which City is entitled hereunder, if necessary. Sellers shall promptly forward to City all mail received by Sellers of the type which City is entitled to receive and retain hereunder.

12.14 Encumbrances. All mortgages, deeds of trust, mechanic's liens and other claims against the Assets which are the subject of this Agreement shall be released, reconveyed and/or cleared from the Assets by Sellers at or prior to the Bond Closing Date so that title may be conveyed to City free and clear of all such liens, encumbrances and other claims, except as hereinabove particularly excepted.

12.15 Expenses of Sale and Payment of Taxes. Sellers shall pay for the recording of the grant deeds and all documentary recording charges. Sellers shall also pay all reconveyance fees, trustee's fees or forwarding fees for any full reconveyance of deed of trust or full release of mechanic's lien claims, as well as any amount necessary to satisfy any delinquent general or special taxes due in any fiscal year, together with penalties and interest thereon, and/or delinquent or non-delinquent assessments billing due prior to the Bond Closing Date on any outstanding bond. Sellers shall pay all Federal or State taxes and assessments to the Bond Closing Date which are or may be a lien on the Assets and any sales or use taxes in connection with the transfer of the assets. There shall be a proration of any taxes on the assets as of the Bond Closing Date.

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12.16 Bulk Sales Law. Sellers agree to satisfy the requirements of the California Bulk Sales Law, Division 6 of the California Commercial Code, if City deems such compliance necessary.

A R T I C L E XIII

The Closing

13.1 Bond Closing Date. The Bond Closing Date shall take place on or before September 30, 1976 in the office of the Trustee or such other place mutually agreed upon by the parties. If the Closing has not occurred by September 30, 1976 and this Agreement has not been extended as provided in Article XV hereof, it may be terminated at any time after September 30, 1976, upon the giving of written notice of termination by any of the parties hereto. If the Closing has been extended pursuant to Paragraph 15.1 and the Closing has not occurred by December 31, 1976, this Agreement may be terminated at any time after December 31, 1976, upon the giving of written notice of termination by any of the parties hereto.

A R T I C L E XIV

Conditions Precedent to Closing

14.1 Deliveries to Sellers. As a condition precedent to Sellers' obligations to consummate the transactions contemplated by this Agreement, the following shall have been delivered to Sellers on or before the Bond Closing Date:

- a. Certified copies of resolutions adopted by the City Council of the City authorizing the execution, delivery and performance of this Agreement.

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- b. Certified copies of all other papers and documents evidencing the consents, approvals and/or authorizations, if any, required under the laws of the State of California or the ordinances of the City in order for the City lawfully to enter into and perform this Agreement.
- c. Copies of the WFC Articles of Incorporation, together with all amendments thereto, if any, certified by the Secretary of State of the State of California not earlier than 30 days prior to the Closing.
- d. Copies of the By-Laws of the WFC, together with all amendments thereto, if any, certified by a proper officer of the WFC as of the Closing.
- e. Copies of resolutions adopted by the Board of Directors of the WFC authorizing the execution, delivery and performance by WFC of the Indentures, the issuance and sale of the Bonds, and such other matters as may be reasonably requested by TWI, certified by a proper officer of WFC as of the Closing.
- f. Opinion of Messrs. Rutan & Tucker and Orrick, Herrington, Rowley & Sutcliffe, dated as of the Closing, in form, substance and effect satisfactory to the WFC and TWI as to the organization and existence of WFC, that the Bonds are valid and legally binding obligations of WFC payable in accordance with their terms and the City will be obligated to pay the Purchase Payments from, but only from, the Revenues in accordance with the Agreement.
- g. Payment by the WFC to the Sellers of the Priority Payment and the Kern River Canal Purchase Payment.
- h. Instruments in form, substance and effect satisfactory to Sellers evidencing the City's assumption of the obligations and liabilities of Sellers as set forth in Article XII hereof.
- i. Copies of the Judgments of the validating actions referred to in Paragraph 12.11 hereof.

14.2 Deliveries to City. As a condition precedent to the City's obligation to consummate the transactions contemplated by this Agreement, the following items shall have been delivered to the City on or before the Bond Closing Date:

- a. Resolutions adopted by the respective Boards of Directors of the Sellers authorizing the execution, delivery and performance by each of such companies of this Agreement, and of the sale of the portion of the Assets to be sold by each and the attaching to the bill of sale of such portion of the Assets the certificate provided for in section 3904 of the California Corporations Code, certified by the Secretary or an Assistant Secretary of the respective companies, as of the Closing.
- b. Copies of the Certificates of Incorporation of TWI, Kern Island and KRC together with all amendments thereto, if any, certified by the Secretary of State of such companies' respective states of incorporation not earlier than 30 days prior to the Closing.
- c. Copies of the By-Laws, as amended, of TWI, Kern Island and KRC certified by the Secretary or an Assistant Secretary of the respective companies, as of the Closing.
- d. No-action letter or opinion of counsel pursuant to Paragraph 12.5 hereof.
- e. Certificates executed by the proper officers of TWI, Kern Island and KRC respectively, warranting that TWI owns the TWI Assets, that Kern Island owns the Kern Island Assets and that KRC owns the KRC Assets, free and clear of any liens or encumbrances or material defects in title except (i) liens for taxes and assessments not delinquent, (ii) matters referred to in the exhibits hereto, (iii) public service obligations of Kern Island and KRC, and (iv) other matters which do not materially interfere with the use and enjoyment of the Assets as they are being used at the date of this Agreement. Sellers believe that the exhibits hereto are substantially correct. However, for purpose of the foregoing warranty, Sellers reserve the right to correct in writing any deficiencies in those exhibits at any time prior to 15 days before the Closing.
- f. An opinion of McCutchen, Doyle, Brown & Enersen as counsel for Sellers, that:
 - (i) Each Seller has been duly incorporated and is validly existing as a corporation in good standing under the laws of its state of incorporation, with power and authority to execute this Agreement and to dispose of the portions of the Assets to be disposed of by it hereunder.

(ii) This Agreement has been duly authorized, executed and delivered by each Seller and constitutes the valid, binding and enforceable obligation of each Seller in accordance with its terms, and each Seller has taken all necessary corporate action to authorize the sale and delivery of the portion of the Assets to be sold and delivered by it.

(iii) Such counsel have no reason to believe that the portions of the final official statement to be prepared in connection with the offering and sale of the Bonds concerning the Sellers and the Assets contain any untrue statement of a material fact or omit to state any material fact which, in their opinion, should be included or referred to therein in order to make the statements made therein not misleading.

(iv) No authorization, approval, consent or license of a regulatory body or authority not already obtained is required for the valid authorization, execution, delivery and performance of this Agreement by Sellers, and the execution and delivery thereof and compliance therewith by Sellers will not conflict with or constitute a breach of or default under (a) the certificates of incorporation or by-laws of Sellers, (b) to the knowledge of such counsel after having made inquiry with respect thereto, any indenture, mortgage, deed of trust or other agreement or instrument to which Sellers or any of their subsidiaries are a party or by which any of them or their property is bound, (c) any existing applicable law, rule or regulation, or (d) to the knowledge of such counsel after having made inquiry with respect thereto, any judgment, order or decree of any court, government or governmental agency or body having jurisdiction over Sellers or any of their subsidiaries or any of their respective properties.

(v) Sellers own the water rights herein transferred and such shall be valid in the hands of City for the purposes intended.

- g. Bills of sale from Sellers of the portions of the Assets being acquired from each, having attached thereto the certificate provided for in section 3904 of the California Corporations Code.
- h. Evidence of title insurance in the amount of \$1,000 insuring the City that the City has fee title in the real property described in Exhibit C, free and clear of all liens or

encumbrances and other title defects, except liens, encumbrances, exceptions, reservations and defects of title which do not, in the opinion of the City and WFC, have a materially adverse affect on the City's right to use such property for the purposes intended.

- i. Evidence of title insurance in the amount of \$2,000,000 insuring WFC that WFC has fee title in the Kern River Canal Property, free and clear of all liens or encumbrances and other title defects, except liens, encumbrances, exceptions, reservations and defects of title which do not, in the opinion of the City and WFC, have a materially adverse affect on the City's right to use such property for the purposes intended.
- j. A deed of gift from WFC conveying to the City, subject to a reservation of an estate for years, the Kern River Canal Property.
- k. The instruments listed in Exhibit A.

14.3 Deliveries to WFC. As a condition precedent to WFC's obligations to consummate the transactions contemplated by this Agreement, the following shall have been delivered to WFC on the dates indicated:

- a. Certified copies of resolutions adopted by the City Council of the City Authorizing the execution, delivery and performance of this Agreement.
- b. Certified copies of all other papers and documents evidencing the consents, approvals and/or authorizations, if any, required under the laws of the State of California or the ordinances of the City in order for the City lawfully to enter into and perform this Agreement, including without limitation any necessary consents or approvals of the Kern County Water Agency, the Department of Water Resources, and the California Water Resource Agency.
- c. No-action letter or opinion of counsel pursuant to Paragraph 12.5 hereof.
- d. An interpretive opinion from the office of the Commissioner of Corporations of the State of California to the effect that the Bonds are exempt from qualification under the California Corporate Securities Law of 1968 and no proceedings inconsistent with said interpretive opinion shall have been instituted by said Commissioner as of the Closing.

- e. A ruling from the Internal Revenue Service as contemplated in Paragraph 12.6 hereof or a Sellers' waiver of said ruling.
- f. Written opinion or opinions of Messrs. Rutan & Tucker and Orrick, Herrington, Rowley & Sutcliffe dated the date of Closing, in form and substance satisfactory to WFC, to the effect that:

- (i) The WFC is duly organized and existing under the laws of the State of California as a nonprofit corporation.

- (ii) The obligation of the City to pay the Purchase Payments pursuant to this Agreement will be valid and enforceable in accordance with the terms of this Agreement, subject to the limitations on legal remedies against cities in the State of California. The Purchase Payments payable by the City to the WFC under the terms of this Agreement constitute the only source of funds of the WFC for the payment of the Bonds, and such Purchase Payments are payable only from Revenues of the City legally available therefor.

- (iii) The Indentures have been duly and validly authorized, executed and delivered by the WFC, and constitute the valid and legally binding agreement of the WFC, except as enforcement thereof may be limited by the laws of the State of California affecting remedies or by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights, except that counsel shall not be obligated to opine upon any requirement of payment of interest on interest payments in default.

- (iv) The Bonds have been duly and validly authorized, and (if executed on behalf of the WFC and authenticated by the Trustees under the Indentures) have been duly issued under the Indentures and are the valid, legal and binding obligations of the WFC, enforceable in accordance with their terms and secured by the Indenture in accordance with the terms thereof except as enforcement thereof may be limited by the laws of the State of California affecting remedies or by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights.

- (v) Unless the opinion as required in this paragraph is waived by Sellers an opinion that the interest on the Bonds will be exempt from present federal income taxes under existing laws, rulings, regulations and court decisions, and a specific ruling of the United States Treasury Department, except

that counsel need give no opinion as to interest on any Bond while such Bond is held by a person who is a substantial user of the facilities financed from the proceeds of the Bonds or a related person within the meaning of Section 103(c)(6)(C) of the Internal Revenue Code.

- g. Signed copies of the opinion referred to in Paragraph 14.2(f) hereof.
- h. Certified copies of the documents referred to in Paragraph 14.2(a) and Paragraph 14.2(e) hereof.
- i. The proceeds from the sale of the Revenue Bonds and the WFC Leasehold Mortgage Bonds.
- j. The conveyance to WFC of the Kern River Property in the form provided in Article IV hereof.
- k. An executed Lease by and between the City and WFC in substantially the form shown as Exhibit G hereof.

14.4 Additional Conditions. The following shall be further conditions precedent to the Bond Closing:

(a) The transactions contemplated by this Agreement shall not be prohibited by law on the Bond Closing Date and no actions or proceedings shall have been instituted by any party whatsoever challenging the validity or lawfulness of such transactions or attempting to prevent their consummation, nor shall any such proceedings have been instituted by any party which put into question either TWI's, KRC's or Kern Island's right, title, and interest in and to any of the Assets. Notwithstanding the requirements of this subparagraph (a), nothing contained in said subparagraph shall be considered a condition precedent to Closing if in the opinion of special counsel retained in connection with the sale of Bonds described in Article X hereof such matter shall have no effect on the sale of said Bonds. If Sellers purchase the Bonds Sellers may waive such conditions precedent included herein for the protection of the Bondholders.

This subparagraph (a) shall not be interpreted to restrict the City from pursuing the legal actions indicated in Paragraph 12.11 hereof.

(b) The Bonds and the WFC Leasehold Mortgage Bonds shall have been issued and sold by the WFC in the amounts described in Article X hereof.

(c) The representations and warranties contained herein shall be true on and as of the Closing.

(d) On the Bond Closing Date there shall have been no loss or destruction of any material part of the Assets agreed to be sold hereunder by catastrophe or other cause.

A R T I C L E XV

Acquisition of Assets by City

15.1 Extension of Agreement. If prior to September 30, 1976 the City has taken formal action to call an election to be held on or before November 2, 1976 for a revenue bond issue, a general obligation bond issue or a charter amendment which would authorize the City to issue bonds without an election, which bonds would provide funds to acquire the Assets, this Agreement shall not be subject to termination until after December 31, 1976.

15.2 Cash Purchase. This paragraph provides an alternative method of the acquisition of the Assets by the City. In lieu of the transaction described in Paragraph 9.1 hereof the City may acquire title to the Assets and the Kern River Canal Property by the payment of \$15,000,000 to Sellers on the Cash Closing Date and Sellers accepting the obligations of the City to make the Deferred Payment, the Deferred Interest and Current Interest payments as provided in

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Article XI except as modified hereby. The Deferred Interest and the Current Interest rate shall be eight percent (8%) per annum, the Bond Closing Date referred to in Article XI hereof shall be the Cash Closing Date and the Deferred Payment Date means the annual payment date of the Deferred Payment, commencing on the first anniversary date of the Cash Closing Date and continuing annually thereafter to and including the fortieth anniversary date from the Cash Closing Date.

If the City elects this alternative method of acquiring the Assets and the Kern River Canal Property all provisions of this Agreement relating solely to the payment of the Purchase Payments, WFC expenses, the issuance of bonds by WFC, the SEC Requirements and the IRS Ruling shall not be applicable; all other provisions of this Agreement shall remain in full force and effect as between the City and Sellers.

15.3 Cash Closing Date. The Cash Closing Date shall take place on or before December 31, 1976 in the Office of the Treasurer of the City or such other place mutually agreed upon by the parties.

A R T I C L E XVI

Amendment of Agreement

16.1 Amendment. This Agreement may be amended only with the consent of all parties hereto, and, following the issuance of the Bonds, if such amendment reduces the Revenues and the Water Contract Revenues to be received by the City or otherwise impairs the ability of the City to pay the Purchase Payments, may be amended only with the consent of the

Trustee. The Trustee may give such consent if the Trustee determines that, following such amendment, the Revenues and the Water Contract Revenues will be sufficient to enable the City to pay the Purchase Payments and to satisfy the other obligations of the City contained herein (including Covenant 7 of Paragraph 10.5 hereof). In making such determination, the Trustee may rely upon such certificates or opinions from qualified attorneys, engineers or accountants as the Trustee may deem necessary.

A R T I C L E XVII

Miscellaneous

17.1 Representations and Warranties. All representations and warranties of the parties hereto set forth in this Agreement or in any document or certificate delivered pursuant to the provisions hereof shall survive the consummation of the transaction contemplated hereby. Sellers agree to hold the City harmless from and against any and all loss, liability and expense which the City, its successors or assigns may sustain by reason of the breach of any of the representations and warranties of Sellers set forth in this Agreement. All terms, covenants and conditions of this Agreement are set forth herein and there are no warranties, agreements or understandings, express or implied, except such as are expressly set forth herein.

17.2 Headings of Sections Hereof. The headings of sections hereof are used for convenience only and shall not affect the meaning or interpretation of the contents hereof.

17.3 California Law. This Agreement is to be governed by and construed under the laws of the State of California.

17.4 Notices. Any notice or other written communication regarding the subject matter of this Agreement shall be addressed as follows: If to Sellers, to:

Tenneco West, Inc.
P.O. Box 380
Bakersfield, California 93302

with a copy to Sellers' Counsel, Mr. M.W. Meyer, P.O. Box 2511, Houston, Texas 7001.

If to the City, to:

The City of Bakersfield
1501 Truxtun Avenue
Bakersfield, California 93301

If to WFC, to:

City of Bakersfield Water
Facilities Corporation
1501 Truxtun Avenue
Bakersfield, California 93301

with a copy to Kenneth W. Hoagland, City Attorney for the City of Bakersfield, California.

17.5 Execution by City. This Agreement has been executed on behalf of the City pursuant to a resolution of the City Council of the City adopted on April 12, 1976.

17.6 Allocation of Values. Any allocations of value to the Assets in this Agreement have been acquiesced in by Sellers solely as an accomodation to the City and WFC to facilitate the marketing and sale of the Bonds and the obtaining of any additional funds to enable the City and WFC to make the payments to Sellers required hereunder, and such allocations shall not be binding upon Sellers for any purpose whatsoever.

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.

APPROVED AND RECOMMENDED:

BY H. E. Bergen
City Manager

DA Roger
Councilman - Chairman
Water and Growth Committee

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By [Signature]
City Attorney

[Signature]
Councilman - Member
Water and Growth Committee

By [Signature]
City Finance Director

[Signature]
Councilman - Member
Water and Growth Committee

[Signature]
Councilman

[Signature]
Councilman

[Signature]
Councilman

[Signature]
Councilman

[SEAL]

CITY OF BAKERSFIELD

By [Signature]
Mayor

ATTEST:

By [Signature]
City Clerk

[SEAL]

CITY OF BAKERSFIELD WATER
FACILITIES CORPORATION

ATTEST:

By [Signature]
Vice-President

[Signature]
Secretary

[SEAL]

KERN ISLAND WATER COMPANY

ATTEST:

By [Signature]
President

[Signature]
Secretary

[SEAL]

KERN RIVER CANAL & IRRIGATION
COMPANY

ATTEST:

By [Signature]
President

[Signature]
Secretary

[SEAL]

TENNECO WEST, INC.

ATTEST:

By [Signature]
Executive Vice-President

[Signature]
Secretary

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FILE NO.	DATED	PARTIES	DESCRIPTION
	Circa 1928	Kern Island Canal Company	Abstract 50091
	Circa 1980	Buena Vista Canal Company	Abstract of Title
	Circa 1930	East Side Canal Company	Abstract #50491
	Circa 1929	Farmers Canal Company	Abstract #50486
	Circa 1929	Stine Canal, Inc.	Abstract #50485
-06-061	12-30-69	Antongiovanni to KI	Water Seepage Agreement 1-32/27
-14-0008	5-5-73	KI to County of Kern	Storm Drain Agreement - Stine Canal
-14-0007	5-1-73	KI to City of Bakersfield	Storm Drain Agreement - Kern Island Canal
-28-0009	7-1-74	KI to Vincent Outdoor Adv.	Advertising Sign License
-14-0006	1-28-64	County of Kern, City of Bakersfield and East Side	Storm Drain Agreement - East Side
-02-0004	3-1-75	TRDC/KI/Kern City Civic Assn.	Boundary Agreement and Qui-claim Deed
-06-009	7-23-63	Anderson Canal, et al	Agreement re Carrier Canal Transportation and Losses
-07-1200	9-9-75	County Of Kern/KI	Settlement Agreement Padba: Road - Eastside Canal

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Easements and Powers of Way for Canals
Abandonments, Expropriations and Quitclaims.

CATEGORY: Utilities and Joint Use Agreements COMPANY: KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
J-06-017	8-28-1875	Anderson to KI	17, 18-29/28
J-06-022	2-27-78	Jewett to KI	19-29/28
9-06-019	5-30-78	Stephens to KI	18-29/28
J-06-024	6-7-78	Stine to KI	6-30/28
5-06-011	2-16-81	Haggin to Farmers	23-30/27
9-06-006	11-4-91	Schuster to KI	1-30/27
J-06-008	11-11-91	Taylor to KI	12-30/27
J-06-005	1-14-92	Niederaur to KI	1-30/27
9-06-002	1-30-92	Tibbet to KI	36-29/27
J-06-003	1-30-92	Park et al to KI	36-29/27
J-06-027	2-2-92	Fish et al to KI	Blocks 10,11,12 Chester Tract
9-06-032	5-20-92	Pacific Improvement Company East Side	28, 34-29/28
9-06-030	6-8-92	Kern Valley Bank to KI	Blocks 10,11,12 Chester Tract
5-06-002	6-17-92	Offer to East Side	27-29/28
5-06-015	6-17-92	Offer to East Side	19-30/29
5-06-010	6-19-92	Lindgren to East Side	13-30/28
5-06-031	6-20-92	Henry to East Side	36-29/28
5-06-005	6-30-92	Smith to East Side	1-30/28
5-06-019	7-2-92	Hall to East Side	6-31/29
5-06-015	7-9-92	Wright to East Side	31-30/29
5-06-005	7-15-92	Friedman to East Side	1-30/28
5-05-105	7-16-92	Douty to East Side	35-29/28
5-06-008	7-20-92	Mull to East Side	12-30/28
5-06-007	7-21-92	Jones to East Side	12-30/28
5-06-022	7-29-92	Hughes to East Side	8-31/29
5-06-023	7-29-92	Hughes to East Side	17-31/29
5-06-027	7-30-92	Husted to East Side	27-31/29
5-06-034	7-30-92	Keith to East Side	35-29/28
5-06-011	7-30-92	McLeod to East Side	18-30/29

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FILE NO.	DATED	PARTIES	DESCRIPTION
-06-018	8-6-92	Letts to East Side	6-31/29
-06-014	8-11-92	Fuller to East Side	19-30/29
-06-009	8-12-92	Nocsettine to East Side	12-30/28
-06-013	8-13-92	Hickox to East Side	18-30/29
-06-024	8-20-92	Fowler to East Side	20-31/29
-06-028	8-20-92	Pursell to East Side	34-31/29
-06-029	9-20-92	Holton to East Side	36-31/29
-06-030	9-23-92	Burns to East Side	31-31/30
-06-025	10-5-92	Brewer, Bynner, Dubois to East Side	21-31/29
-06-026	11-3-92	Husing to East Side	27-31/29
-06-020	6-30-92	Smith to East Side	7-31/29
-06-020	8-4-95	Smith to East Side	1-30/28
-06-033	9-26-95	Henry to East Side	36-29/28
-06-006	11-21-96	McNee and Morrison - Farmers	27-30/27
-06-025	4-15-12	Burr et al to KI	8-30/28
-06-005	1-19-15	McNee Company to Farmers	27-30/27
-05-103	3-29/26	Pacific Improvement to East Side	34-29/28
-06-003	12-31-26	County of Kern To East Side	27-29/28
-05-204	3-15-27	East Side to Benzino	35-29/28
-06-021	5-4-27	Frick to East Side	8-31/29
-05-202	9-20-27	East Side to Crosland	35-29/28
-05-203	9-20-27	East Side to White	35-29/28
-06-001	4-20-28	KCL to Anderson and Stine	Anderson and Stine Main
-06-002	4-20-28	KCL to Anderson and Stine	Anderson and Stine Main
-06-003	4-20-28	KCL to KI	All Branches
-06-001	4-20-28	KCL to Buena Vista Canal	
-06-035	4-20-28	KCL and East Side Canal to East Side	19-29/28
-06-002	4-20-28	KCL to Farmers	
-06-010	4-20-28	KCL to Stine	24,25,26-29/27

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FILE NO.	DATED	PARTIES	DESCRIPTION
-06-011	4-20-28	KCL and Stine	
-06-012	4-20-28	KCL to Anderson, Stine and Farmers	13, 24-29/27
-06-003	4-20-28	KCL to Farmers, et al	Main Canal
-08-101	3-17-31	Stine to Canaday	2-30/27
-05-209	10-30-31	East Side to Willoughby	27, 34-29/28
-08-211	1-15-32	P G & E to KI	6, 18-30/28
-05-208	3-19-35	East Side to Stockton et al	35-31/29
-05-201	5-14-36	East Side to Jewett	Lot 173
-06-028	4-1-41	Nichols et al to KI	Block D, Tract 1163
-06-018	6-17-43	Goodrich to KI	17-29/28
-06-029	10-30-46	Ashe to KI	Block 2 (E) Virginia Tract
-08-210	4-27-48	Cal Water Service to KI	4th St. 31-29/28
-05-204	4-3-50	KI to KCL	6-30-28
-06-035	7-13-50	KI to Record Owners	09-06-003, 09-06-027 and 09-06-030
-05-209	8-7-50	KI to KCL	6-30/28
-05-206	4-22-52	Long to East Side	30-30/29
-05-203	6-21-54	Cavins to Stine	2-30/27
-05-202	6-28-54	Stine to Davins	2-30/27
-08-215	1-14-55	Seuza to KI	6-31/28
-07-401	2-3-56	Schuman et al to East Side	27, 34-31/29
-06-037	9-12-56	State of Calif. to East Side	18-30/29
-06-012	11-28-56	MacDonald to East Side	18-30/29
-06-008	1-29-57	Fanucchi to Farmers	17-31/27
-06-007	1-30-57	Banducci to Farmers	17-31/27
-06-009	1-28-58	Pensinger to Farmers	20-31/27
-06-010	131-58	Thompson to Farmers	20-31/27
-05-205	6-30-58	East Side to Record Owners	13-30/28
-05-207	10-17-58	East Side to Jewett	28-31/29

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Cont.

Easements and Rights of Way for Canals
Abandonments, Relinquishments and Quitclaims

CATEGORY: Utilities and Joint Use Agreements

COMPANY: KERN ISLAND CANAL COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
05-07-402	10-17-58	Jewett et al and East Side	28-31/29
09-07-1409	1-6-59	Pacific So. Foundries to KI	24th and 21st
09-07-900	5-18-59	City of Bakersfield and KI	Abandonment of Brink Ditch
05-06-004	6-8-59	County of Kern to East Side	27,28-29/28
09-08-222	7-18-59	Hamm et al to KI	1-30/27
09-08-223	7-18-59	Sorenson to KI	1-30/27
14-06-003	12-14-59	Mattly to Stine	35-29/27
09-08-212	2-11-60	Cummings et al to KI	18-30/28
09-07-403	2-11-60	Cummings, Kenneth, et ux Stewart & Wattenbarger to KI	18-30/28
09-08-213	2-18-60	Cummings et al to KI	18-30/28
09-07-404	2-18-60	Cummings, Kenneth, et ux.	18-30/28
09-06-010	3-11-60	Cauthron to KI	1-31/27
09-06-011	3-11-60	Bugni et al to KI	1-31/27
09-06-012	3-11-60	Giminiani to KI	1-31/27
09-06-041	5-10-60	Eoff to KI	Lot 3, 18-31/28
14-06-004	5-17-60	KCL to Stine	10,15-30/27
03-06-002	5-17-60	Buena Vista Canal to KCL	
06-06-004	5-17/60	KCL to Farmers	15-30/27
14-06-009	9-12-60	Rancho Bakersfield Motel to Stine	35-29/27
09-06-009	9-27-60	KCL to KI	12-30/27
05-06-036	10-13-60	PG&E to East Side	19-30/29
14-06-007	11-4-60	Stine to State of California	
09-05-201	11-25-60	KI to Record Owners	Lots 1 & 2, 13-30/27
09-07-406	12-2-60	Mein, Edward et ux; White, Burl, et ux to KI	1-30/27
09-08-205	12-2-60	Mein et al to KI	K-8 Lat. Lot 13, 1-30/27
09-07-407	12-8-60	Machado, Vernie to KI	1-30/27
09-07-408	12-8-60	Hughes, Myrtle to KI	1-30/27
09-08-203	12-8-60	Machado to KI	K-8 Lat. Lot 13, 1-30/27
09-08-204	12-8-60	Hughes to KI	K-8 Lat. Lot 13, 1-30/27

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Cont.
 Easements and Rights of Way for Canals,
 Abandonment, Encroachments and Quitclaims,
 Utilities and Joint Use Agreements

CATEGORY: COMPANY: NERN ISLAND WATER COMPANY

FILE NO.	DATE	PARTIES	DESCRIPTION
9-06-013	12-8-60	Thomas to KI	1-30/27
4-06-002	12-19-60	KCL to Stine	26, 35-29/27
9-06-042	12-27-60	Eyraud to KI	1-31/27
9-07-409	12-28-60	Girard, Kirtland, et ux to KI	18-30/28
4-07-1401	3-27-61	Stine and Wooldridge	35-29/27
9-06-043	3-30-61	KCL to KI	18-31/28
9-06-045	3-30-61	KCL to KI	1-31/27
9-06-046	3-30-61	KCL to KI	1-31/27
1-05-204	6-12-61	Stine to Record Owners	11-30/27
1-06-005	7-11-61	SDC to Stine	10, 15-30/27
9-06-044	8-18-61	State of Calif. to KI	18-31/28
9-07-1406	9-15-61	KI to California Water	13-30/27
9-07-1408	1-15-62	KI to California Water	5-30/27
9-07-1410	1-22-62	KI to Fairway Dev.	13-30/27
9-06-047	2-12-62	State of Calif. to KI	18-31/28
9-06-048	2-12-62	State of Calif. to KI	13-30/27
9-06-051	6-22-62	State of Calif. to KI	1-31/27 and 6-31/28
9-06-052	6-22-62	State of Calif. to KI	11-30/27
9-06-058	6-27-62	P G & E to East Side	17-31/29
9-07-410	11-14-62	Schallock to KI	6-30/28
9-11-0001	12-10-62	SDC to Ashe	4-30/27
9-07-1411	1-10-63	KI to Garden Water	19-30/28
4-06-015	1-14-63	Deeter - Anderson et. al	()
4-06-015	4-1-63	Anderson-Stine, Farmers, Buena Vista, Pioneer, James & Plunket -	
4-06-015	4-1-63	Deeter - Anderson	
9-05-216	4-1-63	KI to KCL	
4-05-210	4-11-63	Stine to Buckley	Blocks 293 and 294
9-05-213	5-17-63	KI to Gorin, et al	11-30/27
4-06-013	6-13-63	KCL to Stine	Lots 21 and 22, 15-30/27
4-06-014	6-24-63	State of Calif. to Stine	15-30/27
1-09-501	6-24-63	Stine and State of Calif.	35-29/27
			26-29/27

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FILE NO.	DATED	PARTIES	DESCRIPTION
-11-002	11-5-63	Johnson to Ashe	Lot 242 Tract 2560
-07-900	12-3-63	Buena Vista Canal to AEWS	
-07-900	12-3-63	AEWS and Farmers	32 and 33-29/27
-07-900	12-3-63	Stine and AEWS	21-30/27
-07-411	2-19-64	Sears Roebuck to KI	12-30/27
-06-055	4-30-64	Kern Island and State of Calif.	6UT 451.31
-11-0003	9-28-64	Farmers to Ashe	15-30/27
-07-412	10-7-64	Breitinger to KI	1-30/27
-08-210	4-6-65	County of Kern and Farmers	14-30/27
-07-1418	12-28-65	KI to McCourry	13-30/27
-11-0004	3-4-66	SDC to Ashe	15-30/27
-11-0005	3-4-66	SDC to Ashe	34-29/27
-11-0006	3-4-66	SDC to Ashe	3, 4-30/27
-11-0007	3-4-66	SDC to Ashe	15-30/27
-11-0008	3-4-66	SDC to Ashe	3-30/27
-08-301	4-28-66	KI to Kern Cable	1-30/27
-05-218	5-4-66	KI to Record Owners	Lots 1 and 2, 13-30/27
-06-056	8-31-66	Tulefield to KI	8-32/27
-06-004	8-31-66	KCL to Buena Vista Canal	16-31/26
-08-502	5-5-67	KI to City of Bakersfield	6-30/28
-08-503	6-2-67	KI to County of Kern	27-29/28
-08-504	8-23-67	KI to State of California	19-29/28
-08-505	8-23-67	KI to State of California	19 and 30-29/28
-05-221	12-6-67	KI to Temple Baptist Church	19-29/28
-05-225	2-26-68	AEWS to KI	27-30/27
-06-060	8-1-68	SDC to KI	33-30/27
-06-058	8-23-68	Stockdale to KI	26 and 35-29/27
-06-059	8-23-68	Stockdale to KI	36 and 35-29/27
-07-413	11-12-68	Union Oil to KI	1-30/27
-05-220	1-13-69	KI to County of Kern	16th and R Streets
-08-302	2-17-69	KI to P G & E	9-32/23
-08-303	2-17-69	KI to P G & E	4-32/28

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Easements and Interests of Way for Canals,
 Abandonments, Relinquishments and Quitclaims.
 CATEGORY: Utilities and Joint Use Agreements COMPANY KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
-08-506	6-12-69	KI to State of California	8-32/27
-08-507	6-12-69	KI to State of California	16-31/26
-07-414	11-11-69	Davies Machinery to KI	Block 136 and "T" Street
-08-508	3-12-70	Wooldridge to KI	2-30/27
-06-062	4-24-70	Kemland to KI	18-31/28
-05-227	5-11-70	KI to SDC	15-30/27
-06-063	5-11-70	SDC to KI	15-30/27
-07-1422	6-8-70	KI to Wattenbarger	19-29/28
06-064	12-31-70	Tenneco Farming to KI	18-31/28
08-509	2-5-71	State of California to KI	06-Ker 58-R54.8
-05-230	2-23-71	KI and TWI to Bakersfield Assn. for Retarded Children	5th and R Streets
05-231	12-2-71	KI to TWI	19-29/28
07-415	1-4-73	Penrod Corp. to KI	19-30/28
06-066	1-9-73	AEWSD and SDC to KI	32-29/27
08-304	9-18-73	KI to P T & T	1-30/28
05-234	10-4-73	KI to TWI	19-29/28
05-235	2-27-74	KI to Thompson	2-30/27
08-264	3-26-74	Fresno Guarantee to KI	Parcel Map #541
06-032	9-12-74	Redington to KI	Main Branch
08-265	10-21/74	TRDC/KI	Water Pipeline Easement
08-266	9-27-74	TRDC/KI	Water Pipeline Easement
08-201	6-29-59	Stine Canal/General Petroleum	Pipeline Crossing License

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FILE NO.	DATED	PARTIES	DESCRIPTION
9-05-202	2-9-1871	Tibbets et al to KI	All Rights, Title, and Interest in South Fork Ditch
3-07-900	11-30-1872	Cochran to Rogers	1/26 int. in Buena Vista Ditch
3-07-901	12-10-1872	Garlock to James	1 Share of Buena Vista Ditch
3-07-902	12-12-1872	Rogers to James	1/26 int. in Buena Vista Ditch
3-07-903	12-18-1872	Seymour to James	1/27 int. in Buena Vista Ditch.
3-07-904	2-25-1873	Rogers to James	1/26 int. in Buena Vista Ditch
3-07-905	2-16-1877	Van Orman to Haggin	All Right, Title and Inte. in Buena Vista Ditch
5-05-116	5-19-1880	Haggin to Farmers	All Right, Title and Inte in Farmers Canal
3-05-103	12-5-1882	Carr to Haggin	All Rights in Buena Vista Canal Company
3-05-108	1-15-1896	East Side to KI	Sales of East Side Right-Way
3-05-102	1-15-1896	East Side to KI	Sale of East Side Canal and Waterway
3-07-1306	3-24-1896	Bloomfield Land Association and KI	Agreement to Deliver Water:
3-07-1305	4-1-1896	Daggett et al and KI	Agreement to Deliver Water:
3-07-1301	5-20-1896	Castro to KI	Agreement to Deliver Water:
3-07-1302	9-16-1896	Jewett et al and KI	Agreement to Deliver Water:
3-05-108		KI to East Side	Agreement to Supply Water

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FILE NO.	DATED	PARTIES	DESCRIPTION
09-06-004	1-3-1892	KI to Burr	36-29/27
09-06-020	5-31-02	KI to Associated Oil Company	Pipeline, 8, 18, and 19-29/28
05-08-222	2-28-21	East Side to Brewster	Pipeline, 21-31/29
05-08-224	2-28-21	East Side to Brownson	Pipeline, 21-31-29
05-08-208	2-27-22	East Side to San Joaquin Valley Development Company	Pipeline, 30-30/29
05-08-223	3-16-22	East Side to Christensen	Pipeline, 21-31/29
05-08-221	12-16-22	East Side to Bock	Pipeline, 21-31/29
05-08-229	3-6-23	East Side to Perrin	Pipeline, 28-31/29
05-08-218	12-6-28	East Side to Bank of Italy National Trust & Savings Assn.	Pipeline, 20-31/29
14-08-205	4-29-29	Stine to Campbell and Zumwalt	Pipeline, 6-31/27
06-08-203	5-1-29	Farmers to Klipstein	Pipeline, 22-30/27
05-08-217	12-28-29	East Side to Frick	Pipeline, 8-31/29
14-08-206	12-31-30	Stine to Barsotti	Pipeline, 2-30/27
09-08-206	1-15-31	KI to Giminiani	Pipeline, 1-31/27
14-08-207	1-19-31	Stine to Vanderpool	Pipeline, 35-29/27
05-08-220	7-30-31	East Side to Stenderup	Pipeline, 20-31/29
05-08-212	1-23-34	East Side to Mohawk Petroleum	Pipeline, 30-30/29
05-08-106	2-21-34	East Side to Pomeroy et al	Bridge, 30-30/29
05-08-107	4-24-34	East Side to Mohawk Petroleum	Bridge, 30-30/29
14-08-102	5-11-34	Stine to Scharpenberg	Bridge, 32-30/27
05-08-209	7-6-34	East Side to Lomita Gasline Company	Pipeline, 30-30/29
03-08-209	7-11-34	Buena Vista to Coulter	Pipeline, 25-30/26
05-08-210	7-31-34	East Side to Lomita Gasline Company	Pipeline, 30-30/29
09-08-219	8-31-34	KI to Union Oil	Pipeline, 9 and 16-29/28
05-08-204	8-31-34	East Side to Union Oil Co.	Pipeline, 35-29/28
09-08-233	12-21-34	KI to Riccomini	Pipeline, 23-30/27
09-08-220	6-1-35	KI to General Pipeline Co.	Pipeline, 17 and 18-30/28
05-08-211	6-1-35	East Side to General Pipeline Company	Pipeline, 18 and 19-30/29
14-08-208	4-3-36	Stine to Calif. Lands Inc.	Pipeline, 29-30/27

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Cont'd.
 Encroachment Licenses for Pipelines,
 CATEGORIES: Pipelines, Bridges, Etc.

COMPANY: KERN ISLAND WATER COMPANY

FILE NO.	DATE	PARTIES	DESCRIPTION
05-08-207	5-20-36	East Side to Industrial Fuel Supply Company	Pipeline, 19-30/29
05-08-213	6-15-36	East Side to Union Oil Co.	Pipeline, 30-30/29
06-08-208	11-28-36	Farmers to Romero	Pipeline, 3-31/27
09-08-232	1-27-37	KI to James	Pipeline, 13-30/27
06-08-205	3-6-37	Farmers to Morgan	Pipeline, 3-31/27
06-08-101	3-6-37	Farmers to Morgan	3-31/27
14-08-212	2-17-38	Stine to Fannucchi	Pipeline, 29-30/27
05-08-206	2-28-39	East Side to Jergins Oil Co.	Pipeline, 19-30/29
14-08-204	7-5-39	Stine to Mohawk Petroleum	Pipeline, 2 and 11-30/27
09-08-221	1-8-41	KI to PG&E	Pipeline, 6-30/28
03-08-205	1-21-41	Buena Vista to Southern Calif.	Pipeline, 4-30/27
06-08-207	8-3-42	Farmers to Romero	Pipeline, 3-31-27
05-08-228	9-30-42	East Side to Vesta Petroleum	Pipeline, 19-30/29
05-08-202	1-28-43	East Side to PG&E	Pipeline, 19-29/28
05-08-205	8-7-44	East Side to Shell Oil Co.	Pipeline 1-30-28
05-08-215	9-24-46	East Side to Southern California Gas Company	Pipeline, 31-30/29
09-08-202	10-15-46	KI to Hancock Oil Company	Pipeline, Belle Terrace
14-08-103	1-31-47	Stine to Hardy	Bridge, 35-29-27
09-08-201	2-19-47	KI to Douglas Oil Company	Pipeline, Panama Lane
06-08-202	2-19-47	Farmers to Douglas Oil Co.	Pipeline, 30/27
14-08-203	2-19-47	Stine to Douglas Oil Company	Pipeline, 30/27
03-08-201	2-19-47	Buena Vista to Douglas Oil	Pipeline, 30/26
05-08-214	6-20-47	East Side to Southern California Gas Company	Pipeline 30-30/29
05-08-203	7-21-47	East Side to Mt. Vernon County Sanitation District	Pipeline 27-29/28
14-08-202	7-21-47	Stine to California Water Service Company	Pipeline, 2-30/27
05-08-219	6-3-48	East Side to Texas Company	Pipeline, 20-31/29
03-08-203	10-6-48	Buena Vista to Western Gulf Oil Company	Pipeline, 19-31/26
03-08-101	10-7-48	Buena Vista to Western Gulf Oil Company	Bridge, 19-31/26
03-08-204	8-14-50	Buena Vista to Western Gulf Oil Company	Pipeline, 30-31/26

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FILE NO.	DATED	PARTIES	DESCRIPTION
9-08-216	9-8-50	KI to P G & E	34" Pipeline, Canal Crossings
6-08-206	9-8-50	Farmers to P G & E	Pipeline, 34 & 35-30/27
4-08-201	9-8-50	Stine to P G & E	Pipeline, 21-30/27
3-08-206	9-8-50	Buena Vista to P G & E	Pipeline, 18-30/27
3-08-210	9-8-50	Buena Vista to P G & E	Pipeline, 19-30/27
5-08-216	8-17-54	East Side to Southern California Gas Company	Pipeline, 6-31/29
4-08-209	8-17-54	Stine to Southern California Gas Company	Pipeline, 2-30/27
4-08-106	9-21-54	Stine to County of Kern	Bridge, 2-30/27
9-08-228	3-27-56	KI to General Petroleum Corp.	Pipeline, 23-30/27
6-08-201	4-3-56	Farmers to General Petroleum	Pipeline, 22-30/27
4-08-214	9-14-56	Stine to Southern California Gas Company	Pipeline
9-08-226	4-8-57	KI to Kern Mosquito Abatement	Pipeline, 7-31/28
9-08-227	4-8-57	KI to Kern Mosquito Abatement	Pipeline, 18-31/28
3-08-202	2-4-58	Buena Vista to Universal Consolidated Oil Company	Pipeline, 24-30/26
9-08-224	6-12-58	KI to Mikles	Pipeline, 7-30/28
6-08-204	7-13-59	Farmers to Banducci	Pipeline, 4-31/27
9-08-101	8-1-60	KI to Cal Water Service	Bridge, 13-30/27
9-08-231	12-1-60	KI to Cal Water Service	Pipeline, Three Crossings
9-08-214	12-7-60	KI to P G & E	Pipeline, 18-30/28
5-08-240	3-31-61	East Side to East Niles Community Services District	Sewer Lines, 35-29/28
13-07-1401	5-3-61	Buena Vista to Univ. Cons. Oil Company	Pipeline
15-07-1404	3-8-62	East Side to California Water Service	28-29/28
15-07-1405	9-21-62	East Side to Horst	35-29/28
19-06-053	10-30-62	South High Homes, Inc. to County of Kern	Road Easement
19-08-239	10-30-62	KI to County of Kern	Bridge, Equestrian Trail
15-08-237	3-1-63	East Side to Hagstad	19-30/29
15-08-238	4-4-63	East Side to Richardson	Sewer Line

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FILE NO.	DATED	PARTIES	DESCRIPTION
09-08-243	10-10-63	KI to Cal Water Service	Pipeline, 19-30/27
09-08-249	10-10-63	KI to Cal Water Service	Pipeline, 7-30/27
14-08-216	10-10-63	Stine to California Water Service Company	Pipeline, 11-30/27
09-07-900	12-3-63	KI and AEWS	Siphon
09-07-900	2-7-64	KI and AEWS	Amendment
09-08-242	12-10-63	KI to Cal Water Service	Pipeline, 30-29/28
09-08-241	12-12-63	KI to City of Bakersfield	Sewer, 18-30/28
09-07-1413	12-16-63	KI to City of Bakersfield	South H St. at Casa Loma and Wilson
05-08-239	12-20-63	East Side to P G & E	Pipeline, 19-29/28
09-08-240	1-13-64	KI to City of Bakersfield	Sewer, 30-29/28
14-08-217	8-31-64	Stine to California Water Service Company	Pipeline, 2-30/27
06-08-209	9-28-64	Farmers to Ashe Water Company	Pipeline, 15-30/27
09-08-244	12-7-64	KI to Cal. Water Service	Pipeline, 30-21/28
09-08-246	3-31-65	KI to Glenn Hagen	Pipeline, 19-30/27
09-08-247	4-28-65	KI to Cal. Water Service	Pipeline, 6-30/27
09-08-248	4-23-65	KI to Cal. Water Service	Pipeline, 18-30/27
09-07-000	7-30-65	A-E WSD	Canal Crossings
09-08-251	12-2-65	KI to Cal. Water Service	Pipeline, 23-30/27
09-08-250	4-26-66	KI to Garden Water Company	Pipeline, 24-30/27
09-08-258	11-28-66	East Side to Cal. Water Service	Pipeline, 27-29/28
09-08-259	3-1-67	East Side to Lortz	Pipeline, 35-29/28
09-08-254	3-29-67	KI to Cal. Water Service	Pipeline, 23-30/27
09-08-252	9-25-67	KI to Wooldridge	Canal Covering, 35-29/27
09-08-257	12-13-67	KI to Temple Baptist Church	Drainage Facility, 19-29/27
09-08-253	1-4-68	KI to Cal. Water Service	Pipeline, 23-30/27
09-08-103	1-18-68	KI to St. Clair	Bridge, 18-30/28
09-08-255	4-11-68	KI to Matsumoto	Ditch Erad. & Pipeline 1-
09-08-256	7-25-68	KI to Bakersfield City School District	Ditch Eradication and Pipeline, 18-30/28

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FILE NO.	DATED	PARTIES	DESCRIPTION
)-08-104	8-26-68	KI to Wattenbarger	Bridge, 19-29/28
)-08-105	1-23-69	KI to Dandy	Bridge, 11-30/27
)-08-245	2-17-69	KI to P G & E	Pipeline, 7-31/28
)-06-057	2-19-69	KI to City of Bakersfield	Road Easement
)-08-102	8-28-69	KI to Elster et al	Bridge, Hill House
)-08-263	12-27-72	KI to Mosesian	Pipeline, 30-30/29
)-08-262	1-25-73	KI to County of Kern	Pipeline, 12-30/28
)-08-241	11-15-66	East Side to East Niles Community Service District	1 - 8" Water Line, 35-29/28

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FILE NO.	DATED	PARTIES	DESCRIPTION
-01-0001	2-6-62	SDC to Ashe	
-01-0002	10-6-65	SDC to Ashe	
-01-0003	7-28-66	SDC to Ashe	
-01-0004	1-27-67	SDC to Ashe	
-01-0005	7-9-70	SDC to KI	
-01-0006	7-13-72	SDC to KI	
-01-0007	8-23-72	SDC to KI	
-01-0008	5-1-73	SDC to KI	
-05-126	8-5-70	KI to SDC	

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FILE NO.	DATED	PARTIES	DESCRIPTION
TRACT NO.			TRACT NO./PARCEL
1	7/1/64	Stockdale Development	2894
2	7/25/61	" "	2560
3	11/1/65	" "	2939
4	4/12/66	" "	2963
5	2/24/67	" "	2764
6	6/25/65	" "	2888
7	4/1/65	" "	2562
8	6/25/65	" "	2763
9	8/14/61	" "	2548
10	7/13/62	" "	2562
11	12/1/65	" "	W side New Stine Store W of Serv Station
12	4/12/66	" "	Tract Belle Terrace East from New Stine Road
13	3/9/66	" "	2980
14	10/17/62	" "	2763
15	8/1/66	" "	2886
16	8/1/66	West Park Baptist Church	Baptist Church Parcel
17	7/25/61	Stockdale Development	2523
18	1/3/67	" "	3039
19	10/31/66	" "	Dist. Blvd. W. of Tract 252
20	5/15/62	" "	2622 & 2627
21	11/22/68	" "	3124
22	10/3/67	" "	3025
23	11/7/67	" "	3031
24	7/10/67	CANCELLED	3078
25	11/6/67	Stockdale Development	3129
26	5/10/68	" "	3121
27	2/26/68	" "	3123
28	6/6/68	" "	3160
29	7/16/69	" "	3244
30	11/28/69	" "	3316
31	7/20/71	" "	3126

FILE NO. TRACT NO	DATED	PARTIES	DESCRIPTION TRACT NO./PARCEL
32	7/3/70	Stockdale Development	3125
33	4/8/70	" "	3122
34	12/4/70	" "	3273
35	3/17/70	" "	3363
36	4/1/70	The Smithers Co.	Smithers - Oasis
37	6/19/70	Stockdale Development	3364
38		CANCELLED	
39	8/1/70	Stockdale Development	3408
40	8/1/70	" "	3409
41		CANCELLED	
42	2/24/71	Stockdale Development	3434
43	7/21/71	Guy T. Gannon Inc.	3481
44	10/15/71	Stockdale Development	3494
45	12/2/71	" "	3546
46	12/2/71	" "	3519
47	3/1/72	" "	3598 Unit A
48	3/23/72	Belle Terrace Imp. Co.	3532
49	6/6/72	John Shipman	The Meadows
50	7/1/72	Stockdale Development	3540
51	8/16/72	" "	Lennox Ave.
52	8/28/72	" "	3609
53	10/11/72	" "	3624
54	1/10/73	" "	3622
55	11/6/72	" "	3623
56	3/26/73	Newman Properties	Stockdale Village
57	3/19/73	Stockdale Development	3614
58	4/26/73	" "	3499
59	9/26/73	" "	3664
60	9/26/73	" "	3663
61	9/26/73	" "	3629
62	4/1/75	Tenneco Realty Development	3741
63	10/23/73	Stockdale Development	Parcel 893

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FILE NO.	DATED	PARTIES	DESCRIPTION
TRACT NO.			TRACT NO./PARCEL
64	1/24/74	Stockdale Development	3598 Unit B
65	1/24/74	" "	Parcel 541
66	1/24/74	" "	3690
67	1/24/74	" "	3692
68	1/24/74	" "	3693
69	4/5/74	" "	3675
70	7/22/74	Tenneco Realty Development	3701
71	7/27/74	" " "	3702
72	9/9/74	" " "	3565
73	1/9/75	" " "	3714
74	1/9/75	" " "	3715
75	3/18/75	" " "	3729
76	3/27/75	" " "	3728
77	3/28/75	" " "	3745
78	7/18/75	Klampon Corp.	Parcels 2 & 3 Of Parcel Map 1632
79	8/7/75	Tenneco Realty Development	3737
80	8/28/75	" " "	3757
81	8/28/75	" " "	3759
82	10/8/75	" " "	3749

FILE NO.	DATED	PARTIES	DESCRIPTION
04-000	Circa 1930	Anderson Canal Company	Abstract of recorded instruments
	Circa 1930	Central Canal Company	Ditto - Volume 1
	Circa 1930	Central Canal Company	Ditto - Volume 2
04-000	Circa 1930	Pioneer Canal, Inc.	Abstract of recorded instruments
	Circa 1930	Joyce Canal, Inc.	Ditto
04-000	Circa 1930	Plunket Canal, Inc.	Ditto
	7-28-88	Miller-Haggin, et al	Miller-Haggin Agreement
	8-6-00	Shaw Decree	
	12-23-04	Miller & Lux, et al and Kern River Company	Compromise Agreement re Borel Plant
	12-29-04	Miller & Lux/A. Brown Company	Decree - Water Rights
	9-25-07	Miller & Lux/The Edison Company	Agreement Amending Agreement entered into 10-23-06
	4-4-12	Miller & Lux/Kern River Company	Modification of Agreement dated 12-23-04
	4-9-15	Miller & Lux/Southern Calif. Edison	Amendatory Agreement to Agreement dated 10-23-06 (KR No
	12-15-16	Miller & Lux/Southern Calif. Edison	Amendatory Agree to Agreement dated 10-23-06 (Plant #
	11-1-27	J. B. Cauzza/BVWSD	Water Control & Distributio
	11-16-27	Miller & Lux/BVWSD	Water Control & Distributio
	6-19-30	Miller & Lux/BVWSD	Amendment Miller-Haggin Agreement
07-900	3-17-34	KCL/Miller & Lux/County of Kern	Water Agreement Hart Park
05	7-16-37	KCL/Miller & Lux/Southern Calif. Edison/U.S. Forest Service	Agreement on Diversion of water from North Fork for Isabella Ranger Station
03	1-1-52	KCL/NKWSD	Agreement for Use of Water Rights
01	3-11-54	BVWSD/NKWSD	Water Use Agreement
04	3-16-54	NKWSD/BVWSD	Memorandum of Agreement Water Storage Isabella Res.
05	12-15-54	NKWSD/BVWSD	1955 Operations
02	10-27-43	KCL/BVWSD	Letter Agreement - Flood Control

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FILE NO.	DATED	PARTIES	DESCRIPTION
X-11	9-14-55	NKWSO/KCL	Amendment Miller-Haggin Agreement
0-06	1-1-56	NKWSO/BVWSO	1956 Operations
0-02	1-4-56	KCL/Miller & Lux	Right of Way Indenture
0-01	7-9-56	NKWSO/KCL/BVWSO	Letter Agreement Sharing Water Allocation
0-07	1-1-57	NKWSO/BVWSO	1957 Operations
0-03	2-5-57	NKWSO/KCL/BVWSO/Miller & Lux	Letter Agreement/Foreign Water
0-02	7-3-57	NKWSO/KCL/BVWSO	Letter Agreement Isabella Storage and Delivery loss
0-08	1-1-58	NKWSO/BVWSO	1958 Operations
0-12	3-25-58	NKWSO/KCC&W/East Side/AEWSO	Letter Agreement Water Exchange
0-04	12-19-58	NKWSO/KCL/BVWSO	Letter Agreement
0-09	1-1-59	NKWSO/BVWSO	1959 Operations
0-12	4-22-59	Southern Calif. Edison/KCC&W	Letter Agreement Release Water Kern River #1 and Borel Power Plants and Consents.
0-01	9-29-59	KCL/BVWSO	Memorandum of Understanding
0-10	1-1-60	NKWSO/BVWSO	1960 Operations
0-13	1-8-60	Southern Calif. Edison/KCC&W	Letter Agreement Release Water for Kern River #1 and Borel Power Plants and Consents
X-12	11-2-60	Rosedale-Rio Bravo WSO/NKWSO/BVWSO/KCL	Agreement Transportation RRBWSO Waters
0-11	1-1-61	NKWSO/BVWSO	1961 Operations
0-14	3-10-61	Southern Calif. Edison/KCC&W	Letter Agreement Release Water for Kern River #1 and Borel Power Plants and Consents
-08-201	6-1-61	County of Kern/KCC&W	Award of Franchise
0-01	8-31-61	Anderson Canal/RRBWSO	Kern River Water Service
0-03	3-6-56	KCC&W/County of Kern	(Letter Agreements)
0-03	3-25-58	KCC&W/County of Kern	(Isabella Res.)
0-03	3-20-62	KCC&W/County of Kern	(Recreation Pool)
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FILE NO.	DATED	PARTIES	DESCRIPTION
-06-003	5-24-62	Southern Pacific Co./Pioneer	River Canal Structure Agreement.
X-13	12-31-62	BVWSD/NKWSD/TLBWS/IRWD	Kern River Water Rights a: Storage Agreement
0-16	12-31-62	NKWSD/BVWSD	1963 Operations
-08-500	2-11-53	Southern Pacific Co/Pioneer Canal	Railroad Crossing Agreement
-07-900	12-3-53	James Canal/AEWS	Agreement
-07-900	2-7-64	James Canal/AEWS	Amendment
0-01	1-1-64	NKWSD/KCL	1964 Amendment Miller-Hag: Agreement
-07-100	1-8-64	Crestmont Oil Co./KCC&W	Water Use Agreement
0-17	3-3-64	NKWSD/KCC&W/TWI	Storage Agreement First Point Water Entities
X-14	6-11-69	KCC&W/BVWSD	Joint Exchange and Sale o: Water Agreement
X-14	6-24-69	KCC&W/BVWSD	Stipulation and Agreement 6-11-69 Exchange Agreement
X-15	12-31-73	KCC&W/NKWSD	Operations and Maintenance Service Contract (1974)
X-16	5-14-74	BVWSD/Kern County Water Agency	Water Exchange Agreement
2392 LW	11-22-74	Shell Oil Co.	Taking water from Kern River for Shell Park
X-17	5-30-75	KCC&W/West Kern Water Dist/BVWSD	Agreement to Deliver Water
X-18	8-29-75	Kern County Water Agency/BVWSD/Hacienda Water Dist/NKWSD/TWI	Memorandum Agreement for Project Hydrospect
X-19	9-26-75	KCC&W/Floyd Johnston Construction/Gentz Construction	Agreement crossing of Carrier Canal by Northeast Bakersfield Drain
X-20	10-2-75	J. G. Boswell/KCC&W	Purchase of Water 12-31-75
X-21	10-16-75	NKWSD/TWI/KIWC/KRRCI	Kern River Interie Project

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Easements and Rights of Way for Canals
 Abandonments, Relinquishments and Quitclaims
 CATEGORY: Utilities and Joint Use Agreements COMPANY: TENNECO WEST, INC.

FILE NO.	DATED	PARTIES	DESCRIPTION
12-06-006	8/31/66	KCL/Pioneer Canal	Canal Easement
13-07-900	12/3/63	AEWSD/Pioneer Canal	Canal Crossing Agreement
07-06-001	4/20/28	KCL-James Canal	Main and Lateral Canals
13-06-001	4/20/28	KCL-Plunket	Main and Lateral Canals
12-06-002	4/20/28	KCL- Pioneer	Main and Lateral Canals
12-06-004	11/4/63	KCL-Pioneer	River Canal
12-06-007	8/31/66	KCL-Pioneer	Pioneer Canal crossing Hwy. I-5
01-08-501	2/19/69	California, State of	Pioneer Canal crossing Hwy. I-5
01-08-502	2/19/69	California, State of	Pioneer Canal crossing Hwy. I-5
12-08-203	2/9/60	Union Oil	Pipeline License
12-08-101	6/1/60	Kern, County of	Bridge License
01-05-201	5/26/70	KCC&W - Lake	Calloway Canal Easement
01-05-202	7/30/70	KCC&W - SEC	Quitclaim Calloway r/W
04-07-1401	2/12/62	Union Oil	Pipeline License
02-08-501	6/24/63	California, State of	Stine Canal Easement
04-08-503	10/31/63	California, State of	Calloway Canal Easement
01-08-202	10/5/71	Kern Cable Co.	TV Cable License
12-08-201	10/16/30	Southern California Gas	Pipeline License
12-08-202	1/21/41	Southern California Gas	Pipeline License
04-06-001	4/20/28	KCL to Central Canal	Main & Lateral Canals

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FILE NO.	DATED	PARTIES	DESCRIPTION
-01-301	1-11-60	Hale to KCC&W	3 Shares of Castro Ditch
-01-302	3-14-60	Mattly to KCC&W	2/72 Int. in Castro Ditch
-01-303	3-23-60	Parenti to KCC&W	0.45 of 1/72 int. in Castro Ditch
-01-304	3-25-60	Preston to KCC&W	1/72 Int. in Castro Ditch
-01-305	6-28-61	Presley to KCC&W	0.75 of 1/72 Int. in Cast Ditch
-01-306	7-25-61	Haberkern to KCC&W	5.86 Shares of Castro Ditch
-01-307	5-2-62	Cavins et al to KCC&W	0.15 of 1/72 Int. in Cast Ditch
-01-308	5-2-62	Cavins et al to KCC&W	0.16 of 1/72 Int. in Cast Ditch
-01-309	5-31-62	Rodriguez to KCC&W	3/72 Int. in Castro Ditch
-01-310	6-14-62	Burton et al to KCC&W	0.17 of 1/72 Int. in Cast Ditch
-01-311	11-2-62	Montoya to KCC&W	0.24 of 1/72 Int. in Castro Ditch
-01-312	12-4-62	Stillwell to KCC&W	2/72 Int. in Castro Ditch
-01-315	2-21-63	Hurley to KCC&W	0.24 of 1/72 Int. in Castro Ditch
-01-313	7-7-64	Grischott to KCC&W	2/72 Int. in Castro Ditch
-01-314	7-16-64	Harty to KCC&W	0.76 of 1/72 Int. in Cast Ditch
-01-316	9-10-65	KCL to KCC&W	1/72 Int. in Castro Ditch
-01-317	6-21-67	Mihal to KCC&W	0.46 of 1/72 Int. in Castro Ditch
-01-319	12-9-70	Bryan to KCC&W	1.5325 Shares of Castro Ditch

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FILE NO.	DATED	PARTIES	DESCRIPTION
04-08-211	11/18/31	Central to Mohawk Petroleum	Pipeline, 28-29/27
04-08-203	2/4/38	Central to Shell Oil	Pipeline, 14-29/27
04-08-204	3/22/38	Central to Palomar Refinery	Pipeline, 14-29/27
04-08-208	8/1/39	Central to Mohawk Petroleum	Pipeline, 22-29/27
04-08-209	11/17/39	Central to Mohawk Petroleum	Pipeline, 22-29/27
04-08-210	9/15/43	Central to General Petroleum	Pipeline, 22-29/27
04-08-207	3/15/44	Central to Western Gulf Oil	Pipeline, 22-29/27
04-08-216	7/25/47	Central to Southern Calif. Gas	Pipeline, 21-29/27
04-08-202	11/5/57	Central to Southern Calif. Gas	Pipeline, 6-29/27
04-08-221	10/13/61	KCL to Signal Oil	Pipeline, 21-29/27
04-08-222	2/25/64	Central to Southern Pacific Pipelines	Pipeline, 21-29/27

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FILE NO.	DATED	PARTIES	DESCRIPTION
-14-0001	6-1-73	County of Kern and KRCI	Storm Drain Agreement - Beardsley Canal
-14-0002	1-1-75.	Tenneco Oil Co., KRCI, Tenneco West, Inc., and Kern Island Water	Water Discharge and Water Use Contract
-14-003	9-10-75	KRC&I/Getty Oil Co.	Discharging Waste Water into Beardsley Canal

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FILE NO.	DATED	PARTIES	DESCRIPTION
	Circa 1928	Kern River Canal & Irrigating Company	Abstract #50488 - Abstract of Recorded Documents
-06-004	4-20-28	KCL to KRCI	Main and Lateral Canals
-06-005	10-16-53	KRCI and Mutual Water Company	13-29/27
-07-403	2-5-59	Tieck and KRCI	10-29/27
-07-404	2-5-59	Tieck and KRCI	10-29/27
-08-202	2-13-59	Mendiburu and KRCI	5-29/27
-07-405	2-23-60	Erreca and KRCI	9-29/27
-07-406	3-7-62	Ouret and KRCI	5-29/27
-07-407	6-7-62	Carter et al and KRCI	9-29/27 (2 agreements)
-07-408	6-29/62	Hart and KRCI	9-29/27
-07-409	2-12-63	Carter and KRCI	10-29/27
-06-010	3-1-63	State of California to KRCI	10-29/27
-07-410	1-17-64	Carter and KRCI	10-29/27
-07-411	1-17-64	Carter and KRCI	10-29/27
-07-413	1-28-64	Tieck and KRCI	10-29/27
-07-412	2-25-64	Carter and KRCI	10-29/27
-06-011	11-3-64	KCL to KRCI	10-29/27
-07-415	2-16-65	Carter et al and KRCI	9-29/27
-07-416	2-16-65	Carter and KRCI	9-29/27
-07-417	2-1-66	Bidart and KRCI	5-29/27
-07-418	10-20-66	Carter and KRCI	10-29/27
-07-419	5-8-72	Wattenbarger and KRCI	15-29/27
-08-245	4-29-75	KRCI and County of Kern	12-29/27 Consent to Common Use

FILE NO.	DATED	PARTIES	DESCRIPTION
1-05-205	12-23-1874	Read to Darnel	Interest in Beardsley Can
1-05-105	2-24-75	Darnel to Mann	1/4 int. in Beardsley Can
1-05-203	5-25-92	Jewett to KRCI	Right, title and interest in Beardsley Canal
1-05-201	7-12-92	Bank of Bakersfield to KRCI	Right, title and interest in Beardsley Canal
1-05-202	10-15-92	Kern Valley Bank to KRCI	Right, title and interest in Beardsley Canal
1-05-106	5-19-94	Carr and Haggin to KRCI	Notice of Appropriation of Water
1-05-101	2-11-1905	Kerr to Reis	Right, title and interest in Beardsley Canal

Encroachment Licenses for Pipelines,
Polelines, Bridges, etc.

COMPANY: KERN RIVER CANAL & IRRIGATION

CATEGORY:

FILE NO.	DATED	PARTIES	DESCRIPTION
10-06-007	6-08-1914	Southern Pacific Company to KRCI	Bridge, 11-29/27
10-08-204	7-10-20	KRCI to Midway Gas Company	Pipeline, 10-29/27
10-08-210	7-31-28	KRCI to Standard Oil Company	Pipeline, 7-29/28
10-08-228	8-31-34	KRCI to Union Oil Company	Pipeline, 8-29/28
10-08-222	2-4-38	KRCI to Shell Oil	Pipeline, 11-29/27
10-08-225	8-1-39	KRCI to Oildale Mutual Water	Pipeline, 13-29/27
10-08-229	8-1-39	KRCI to Mohawk Petroleum	Pipeline, 10,15,22-29/27
10-08-230	11-17-39	KRCI to Mohawk Petroleum	Pipeline, 10,15,22-29/27
10-08-221	1-21-41	KRCI to Southern Calif. Gas	Pipeline, 1,4,5-29/27
10-08-214	3-18-41	KRCI to PG&E	Pipeline, 7-29/28
10-08-224	3-18-41	KRCI to PG&E	Pipeline, 11-29/27
10-08-213	1-28-43	KRCI to PG&E	Pipeline, 7-29/28
10-08-220	7-25-47	KRCI to Southern Calif. Gas Co.	Pipeline, 10,15,22-29/27
10-08-218	8-12-47	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-223	1-14-48	KRCI to North of River Sanitary Dist.	Sewer Line, 11-29/27
10-08-217	4-24-48	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-216	11-16-48	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-238	3-23-61	KRCI to Standard Oil Company	Pipeline, 22-29/28
10-07-1401	10-13-61	KRCI to Signal Oil	Pipeline, 10,22-29/27
10-07-1403	2-1-62	KRCI to Tidewater Oil	Pipelines, 9-29/28
10-07-1402	3-15-62	KRCI to North of River Sanitary Dist.	Sewer Line, 14-29/27
10-08-231	2-7-63	KRCI to Standard Oil	Pipeline, 7-29/28
10-08-232	5-8-63	KRCI to Standard Oil	Pipeline, 7, 8-29/28
10-08-233	2-24-64	KRCI to Chanslor-Western Oil	Pipeline and Polelines 9,10-29/28
10-08-235	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline, 21-29/27
10-08-234	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline, 5-29/27
10-08-236	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline 5-29/27
10-08-302	7-21-64	KRCI to PG&E	Poleline, 10-29/27
10-08-237	7-21-64	KRCI to Valley Development Co.	Pipeline, 22-29/27

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FILE NO.	DATED	PARTIES	DESCRIPTION
	Circa 1928	Kern River Canal & Irrigating Company	Abstract #50488 - Abstract of Recorded Documents
-06-004	4-20-28	KCL to KRCI	Main and Lateral Canals
-06-005	10-16-53	KRCI and Mutual Water Company	13-29/27
-07-403	2-5-59	Tieck and KRCI	10-29/27
-07-404	2-5-59	Tieck and KRCI	10-29/27
-08-202	2-13-59	Mendiburu and KRCI	5-29/27
-07-405	2-23-60	Erreca and KRCI	9-29/27
-07-406	3-7-62	Ouret and KRCI	5-29/27
-07-407	6-7-62	Carter et al and KRCI	9-29/27 (2 agreements)
-07-408	6-29/62	Hart and KRCI	9-29/27
-07-409	2-12-63	Carter and KRCI	10-29/27
-06-010	3-1-63	State of California to KRCI	10-29/27
-07-410	1-17-64	Carter and KRCI	10-29/27
-07-411	1-17-64	Carter and KRCI	10-29/27
-07-413	1-28-64	Tieck and KRCI	10-29/27
-07-412	2-25-64	Carter and KRCI	10-29/27
-06-011	11-3-64	KCL to KRCI	10-29/27
-07-415	2-16-65	Carter et al and KRCI	9-29/27
-07-416	2-16-65	Carter and KRCI	9-29/27
-07-417	2-1-66	Bidart and KRCI	5-29/27
-07-418	10-20-66	Carter and KRCI	10-29/27
-07-419	5-8-72	Wattenbarger and KRCI	15-29/27
-08-245	4-29-75	KRCI and County of Kern	12-29/27 Consent to Common Use

FILE NO.	DATED	PARTIES	DESCRIPTION
1-05-205	12-23-1874	Read to Darnel	Interest in Beardsley Can
1-05-105	2-24-75	Darnel to Mann	1/4 int. in Beardsley Can
1-05-203	5-25-92	Jewett to KRCI	Right, title and interest in Beardsley Canal
1-05-201	7-12-92	Bank of Bakersfield to KRCI	Right, title and interest in Beardsley Canal
1-05-202	10-15-92	Kern Valley Bank to KRCI	Right, title and interest in Beardsley Canal
1-05-106	5-19-94	Carr and Maggin to KRCI	Notice of Appropriation of Water
1-05-101	2-11-1905	Kerr to Reis	Right, title and interest in Beardsley Canal

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Encroachment Licenses for Pipelines,
Polelines, Bridges, etc.

CATEGORY:

COMPANY: KERN RIVER CANAL & IRRIGATION

FILE NO.	DATED	PARTIES	DESCRIPTION
10-06-007	6-08-1914	Southern Pacific Company to KRCI	Bridge, 11-29/27
10-08-204	7-10-29	KRCI to Midway Gas Company	Pipeline, 10-29/27
10-08-210	7-31-28	KRCI to Standard Oil Company	Pipeline, 7-29/28
10-08-228	8-31-34	KRCI to Union Oil Company	Pipeline, 8-29/28
10-08-222	2-4-38	KRCI to Shell Oil	Pipeline, 11-29/27
10-08-225	8-1-39	KRCI to Oildale Mutual Water	Pipeline, 13-29/27
10-08-229	8-1-39	KRCI to Mohawk Petroleum	Pipeline, 10,15,22-29/27
10-08-230	11-17-39	KRCI to Mohawk Petroleum	Pipeline, 10,15,22-29/27
10-08-221	1-21-41	KRCI to Southern Calif. Gas	Pipeline, 1,4,5-29/27
10-08-214	3-18-41	KRCI to PG&E	Pipeline, 7-29/28
10-08-224	3-18-41	KRCI to PG&E	Pipeline, 11-29/27
10-08-213	1-28-43	KRCI to PG&E	Pipeline, 7-29/28
10-08-220	7-25-47	KRCI to Southern Calif. Gas Co.	Pipeline, 10,15,22-29/27
10-08-218	8-12-47	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-223	1-14-48	KRCI to North of River Sanitary Dist.	Sewer Line, 11-29/27
10-08-217	4-24-48	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-216	11-16-48	KRCI to Southern Calif. Gas Co.	Pipeline, 10-29/27
10-08-238	3-23-61	KRCI to Standard Oil Company	Pipeline, 22-29/28
10-07-1401	10-13-61	KRCI to Signal Oil	Pipeline, 10,22-29/27
10-07-1403	2-1-62	KRCI to Tidewater Oil	Pipelines, 9-29/28
10-07-1402	3-15-62	KRCI to North of River Sanitary Dist.	Sewer Line, 14-29/27
10-08-231	2-7-63	KRCI to Standard Oil	Pipeline, 7-29/28
10-08-232	5-8-63	KRCI to Standard Oil	Pipeline, 7, 8-29/28
10-08-233	2-24-64	KRCI to Chanslor-Western Oil	Pipeline and Polelines 9,10-29/28
10-08-235	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline, 21-29/27
10-08-234	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline, 5-29/27
10-08-236	2-25-64	KRCI to Southern Pacific Pipelines	Pipeline 5-29/27
10-08-302	7-21-64	KRCI to PG&E	Poleline, 10-29/27
10-08-237	7-21-64	KRCI to Valley Development Co.	Pipeline, 22-29/27

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Cont.

Encroachment Licenses for Pipelines,
CATEGORY: Pipelines, Bridges, etc.

COMPANY KEEN RIVER CANAL IRRIGATION

FILE NO.	DATED	PARTIES	DESCRIPTION
10-06-012	1-13-65	State of California to KRCI	Bridge, 14-29/27
10-06-013	1-13-65	State of California to KRCI	Bridge, 10-29/27
10-08-239	3-14-66	KRCI to Standard Oil Co.	Pipeline, 9-29/28
10-08-240	11-28-66	KRCI to Standard Oil Company	Pipeline, 7-29/28
10-08-241	8-30-67	KRCI to Oildale Mutual Water	Pipeline, 12-29/27
10-08-242	8-28/69	KRCI to Oildale Mutual Water	Pipeline, 12-29/27
10-08-243	3-11-70	KRCI to F & R Trucking	Bridge, 11-29/27
10-08-201	6-8-71	KRCI to Bidart Bros.	Pipeline, 4-29/27
10-08-244	11-11-74	KRCI to So. Calif. Gas Co.	10-29/27 Pipeline

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Exhibit A

CATEGORY: Agreements

COMPANY: KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
X-22	6-5-73	KL/Anheuser-Busch, Inc.	Permanent water service agreement
X-23	2-1-73	KL/Kern Delta WD	Water Distribution Agreement
X-27	12-15-75	KL/Costerisan Farms	Agreement to transfer water deliveries during 1976
X-30	1-8-76	KL/Carro Brothers	Agreement to transfer water deliveries during 1976.
X-31	6-5-73	KCC&W and Costerisan Farms	Letter agreement re rim ditch
X-39	12-31-69	Antongiovanni/KI	Water Seepage Easement Kern Lake

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ADDENDA

Easements and Rights of Way for Canals.
 Abandonments, Eradications and Quitclaims.
 CATEGORY: Utilities and Joint Use Agreements COMPANY: FERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
	4-11-68	KI and Matsumoto et al	Ditch Eradication and Pipeline Easement
	7-25-68	KI and Bakersfield Ctiy School District	Ditch Eradication and Pipeline Easement
-43	10-28-68	City of Bakersfield and KI	Agreement re. Fencing and Construction of Barrier Curb and Parking Pad Area (White Lane)
	8-5-69	Ashe Water Co. (KI) and County of Kern	Franchise F-56
9-05-68	9-19-75	Calif. State of - KI	Consent to Common Use No. 79504 (6-30/28)
-24	12-16-75	TRDC/KI	Pipeline 15-30/27
-29	1-15-76	TRDC/KI	Pipeline 9-30/27
-32	6-19-75	TRDC/KI	Pipeline Lot 11, Tr. 3664
-38	2-19-47	Farmers Canal/Douglas Oil	Pipeline - 22-30/27

BK 006269

Page

B 04965

Notice of Approval, Purchase
 CATEGORY : and Sale of Water and Ditch Rights

COMPANY : KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
	12-4-1882	T. S. Spring, J. C. Crocker, E. M. Crocker to J. B. Haggin	Deed - Farmers Irrigating Canal Co. (including water right)
	12-7-1883	Garlick to Haggin	Deed - Garlick & Robb - Ditch and Water thereof
	12-14-1883	Jewett to Haggin	Deed - Water Rights to Farmers Irrigating Company
X-45	3-14-1896	Bloomfield Land Association and KI	Purchase of 1/10 interest in South Fork Canal
X-45	5-16-1896	Solomon Jewett et al and KIICC	Purchase of 1/25 Interest in South Fork Canal and Right to Use Brinks Ditch
X-45	5-20-1896	Castro and KI Irrigating Canal Company	Purchase of 1/18 Interest in and to Castro Ditch
X-45	7-20-1898	Balfour-Guthrie Investment Company and KIICC	Purchase of 4/50 Interest in South Fork Canal

BK 006270

B 04966

CATEGORY: Grant Deeds to Water Well Sites

COMPANY: KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
	2-12-73	SDC to KI	

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CATEGORY: Encroachment Licenses for Pipelines, Polelines, Bridges, Etc. COMPAN. KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
5-08-201	9-8-50	East Side to P G & E	Pipeline. 34 & 35-30/27
X-48	1-21-64	KI and Geo. Nowak	License to Improve Adjacent Golf Course
	4-24-64	Farmers and Rudnick	Pipeline Crossing
	4-28-64	East Side and AEWS	Pipeline Sec. 13-30/28
	7-2-64	Stine and KCL and P G & E	License to Install Poleline
	7-8-64	Stine, KCL and P T & T	License to Install Telephone Facilities
	8-3-65	KI to Tulefield Farming & FG&E	Poleline
	3-9-66	Stine and P G & E	Poleline
	11-10-67	KI and KCL and FG&E	Polelines
	1-4-68	KI and Farmers and California Water Service Company	License for Underground Telephone Line

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CATEGORY : Main Line Extension Contracts

ASHE WATER SERVICE AREA
COMPANY : KERN ISLAND WATER COMPANY

FILE NO.	DATED	PARTIES	DESCRIPTION
<u>Contract No.</u>			<u>Tract No./Parcel</u>
83	12/22/75	Tenneco Realty Development	3505
84	11/25/75	Tenneco Realty Development	3756
85	3/8/76	Tenneco Realty Development	3777
86	3/8/76	Tenneco Realty Development	3778
87	3/8/76	Tenneco Realty Development	3779
88	3/8/76	Tenneco Realty Development	3780

BK 006273

B 04969

FILE NO.	DATED	PARTIES	DESCRIPTION
	12-21-72	KRCI/Cawelo Water District/ NKWSD	Contract for use of Beardsley and Lerdo Canals
	4-18-74	KRCI/Cawelo Water District/ NKWSD	Amendment No. 1 to Contract for use of Beardsley and Lerdo Canals
X-44	11-22-74	KRCI/PR Field, Inc.	License Agreement for Modifi- cation of Beardsley Canals
	3-16-76	County of Kern - KRCI	Storm Drain Agreement Beardsley Canal 1976-79
X-28	12-21-72	Cawelo Water District/KRCI/ NKWSD	Use of portions of Beardsley and Lerdo Canals
X-28	4-18-74	Cawelo Water District/KRCI/ NKWSD	Amendment No. 1
X-33	1-1-52	KRCI/KCL/NKWSD	Agreement of sale of canals and other assets and for transportation of water.

BK 006274

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B 04970

Encroachment Licenses for Pipelines,
CATEGORY : Polelines, Bridges, etc. COMPANY : KERN RIVER CANAL & IRRIG

FILE NO.	DATED	PARTIES	DESCRIPTION
6-26	12/30/75	KRCI/Kern County Water Agency et al	Easement for pipeline
9-08-267	10/14/75	KI/East Niles Community Services District	Water and sewer line crossing Eastside.

BK 006275

B 04971

CATEGORY : Agreements

COMPANY TENNECO WEST, INC.

FILE NO.	DATED	PARTIES	DESCRIPTION
	1-23-47	KCL/Miller & Lux	Assignment of Right in Agreements dated 6-18-14 & 4-7-28
X-34	11-8-63	BVWSD/NKWSD/Tulare Lake Basin WSD/Hacienda WSD/County of Kern	Exhibit B Agreement for maintenance minimum recreation pool Isabella Res.
	12-20-63	NKWSD/BVWSD/Tulare Lake Basin WSD	Letter Agreement Water Storage Isabella Res.
X-47	6-9-64	Pioneer Canal/County of Kern	Ming Lake Temporary Service Agreement
X-46	10-14-64	BVWSD/BV Assoc/Miller & Lux	Kern River Storage and Use of Water Agreement
X-35	10-23-64	U.S.A./NKWSD/BVWSD/Tulare Lake Basin WSD/Hacienda WSD	Storage Agreement
-07-101	11-30-64	Buena Vista Assoc/KCC&W	Transporting Water in KC Canal
1-07-103	1-13-65	Standard Oil co/KCC&W	Water Use Agreement
1-07-102	10-11-65	Arvin Edison WSD/KCC&W	Maintaining Water Level
1-07-104	5-29-67	Kern County Water Agency/KCC&W	Water Use Agreement
X-42	10-13-69	BVWSD/KCC&W	Letter Agreement Joint Meeting, First Point/Second F
X-36	5-13-70	KCC&W/BVWSD	Letter Agreement Charges i Miller-Haggin Joint Account
	5-26-70	KCC&W/County of Kern	Franchise Fees Settlement
	6-16-70	KCC&W/Dept. Water Resources	Snow Survey
	10-18-72	BVWSD/WKCWD/TWI	Water Exchange Agreement
	11-1-73	Kern Delta WD/KCC&W	Letter Agreement Water Del
X-41	3-28-73	Kern County Water Agency/KCC&W/BVWSD	Operating Agreement to Implement Water Exchange
	3-28-73	Kern County Water Agency/BVWSD/Hacienda WD	Water Exchange Agreement
	-74	Kern County Water Agency/TWI	Water Exchange Agreement
	2-22-74	NKWSD/KCC&W	Water Purchase Agreement
	5-13-74	Mohawk Petroleum/KCC&W	Industrial Water Use
	5-29-74	KCC&W/Ball, Ball & Brosamer	Industrial Water Use - Carrier Canal/Kern Conduit
	6-27-74	Kern County Water Agency/KCC&W/BVWSD	Operating Agreement Implement 1974 Water Exchange

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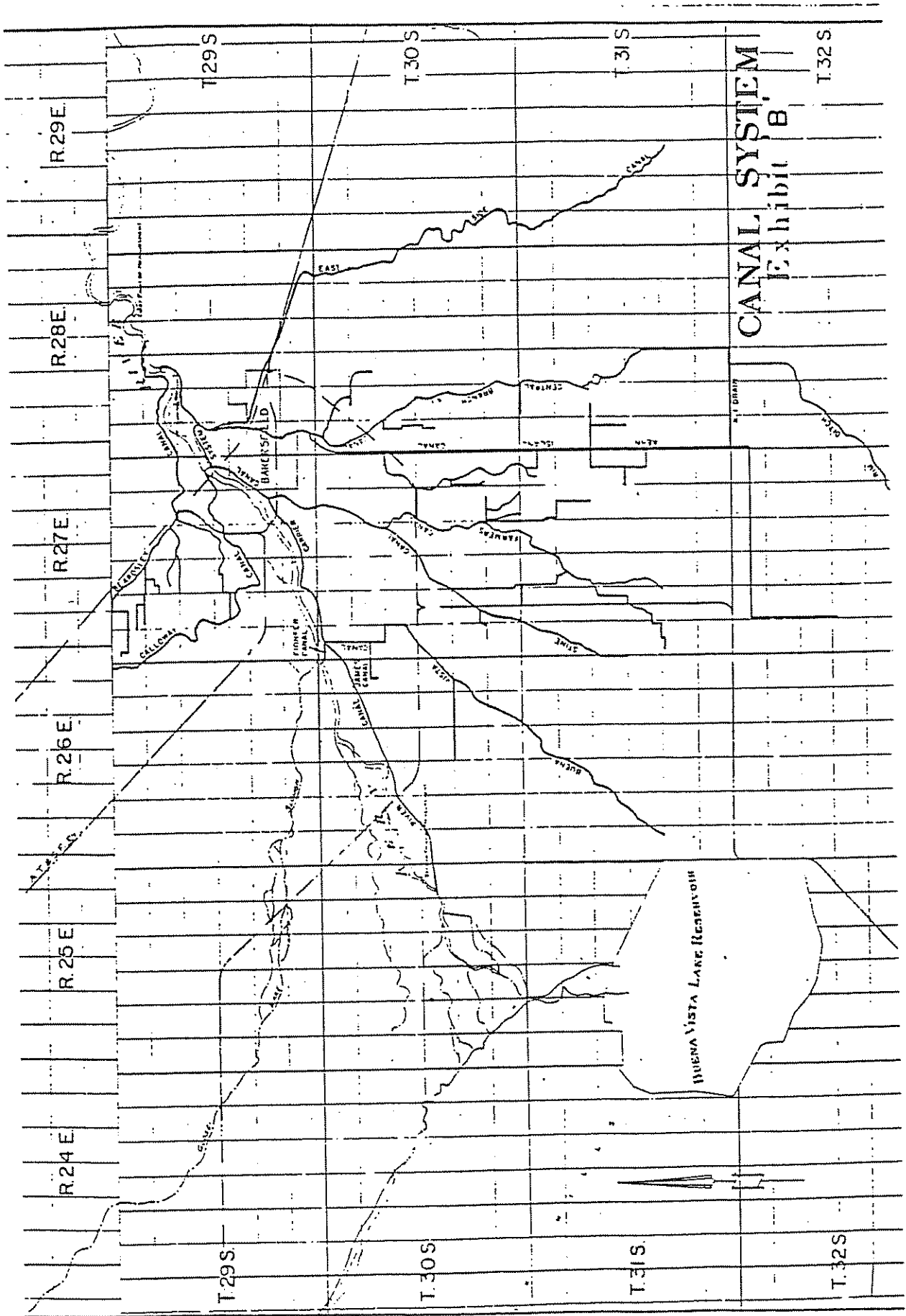
CATEGORY: Agreements

COMPANY: TENNECO WEST, INC.

FILE NO.	DATED	PARTIES	DESCRIPTION
X-25	12/2/75	Shell Oil Company	Taking water from Kern River for Shell Park
X-17	3/22/75	West Kern County Water District/ KCC&W	Amendment of 5/30/75 lette
X-37	7/30/21	KCL/San Joaquin Light and Power/ et al	Agreement re enlargement o tunnel to 800 c.f.s.
X-40	1/3/56	KCL/M&L/BVA/BWSD	Segregation Line Levee Agreement

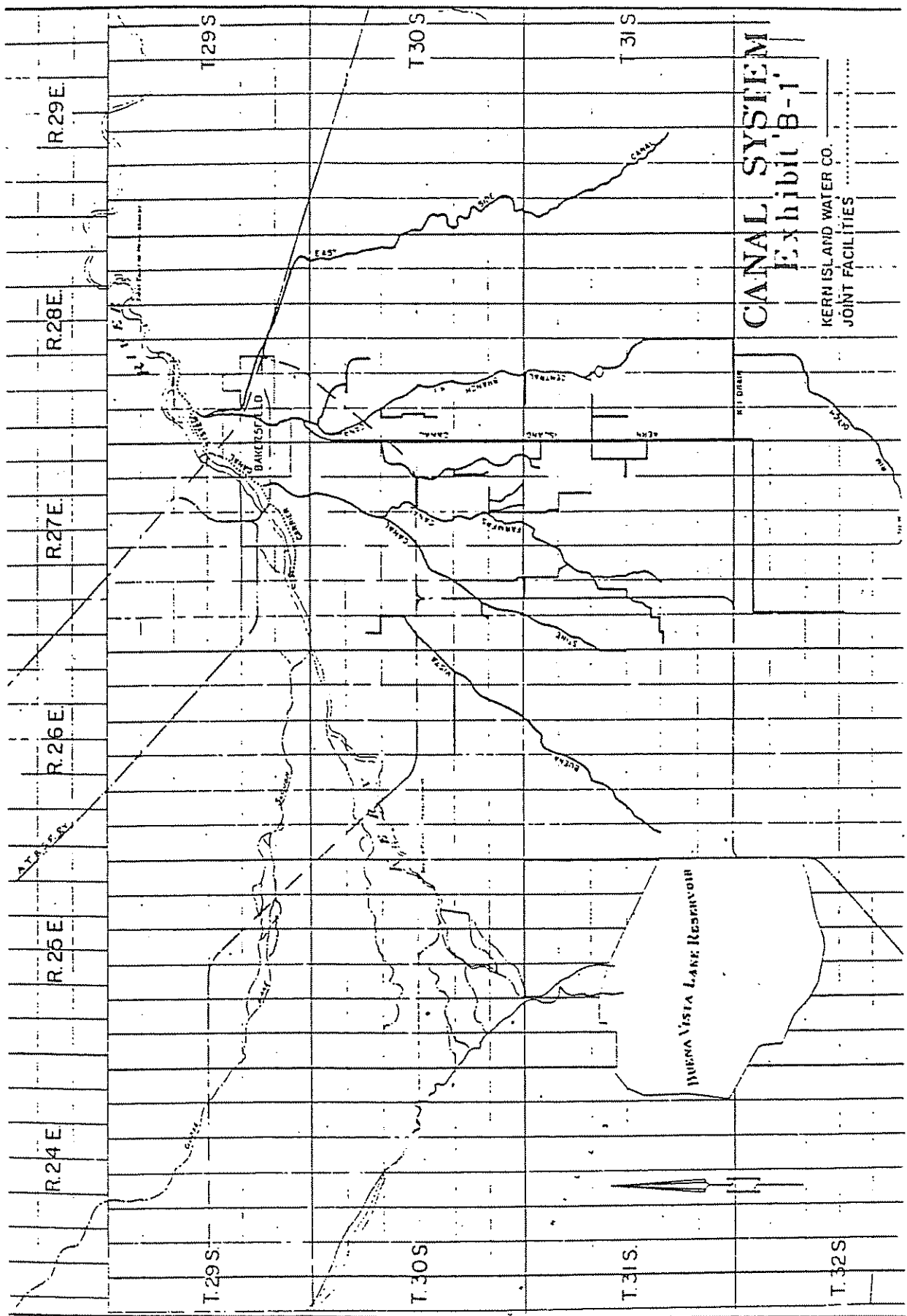
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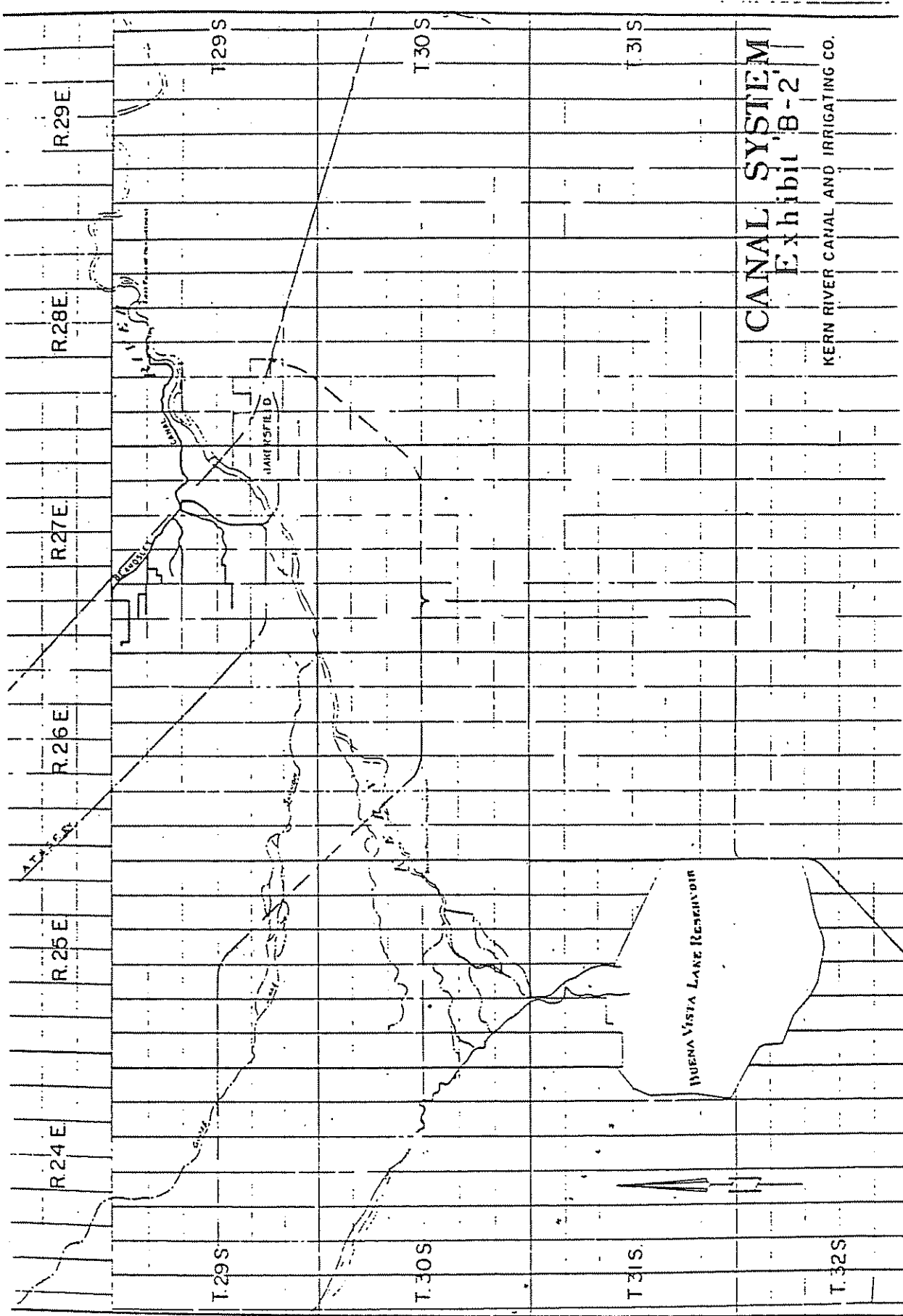
B 04973



CANAL SYSTEM
Exhibit B

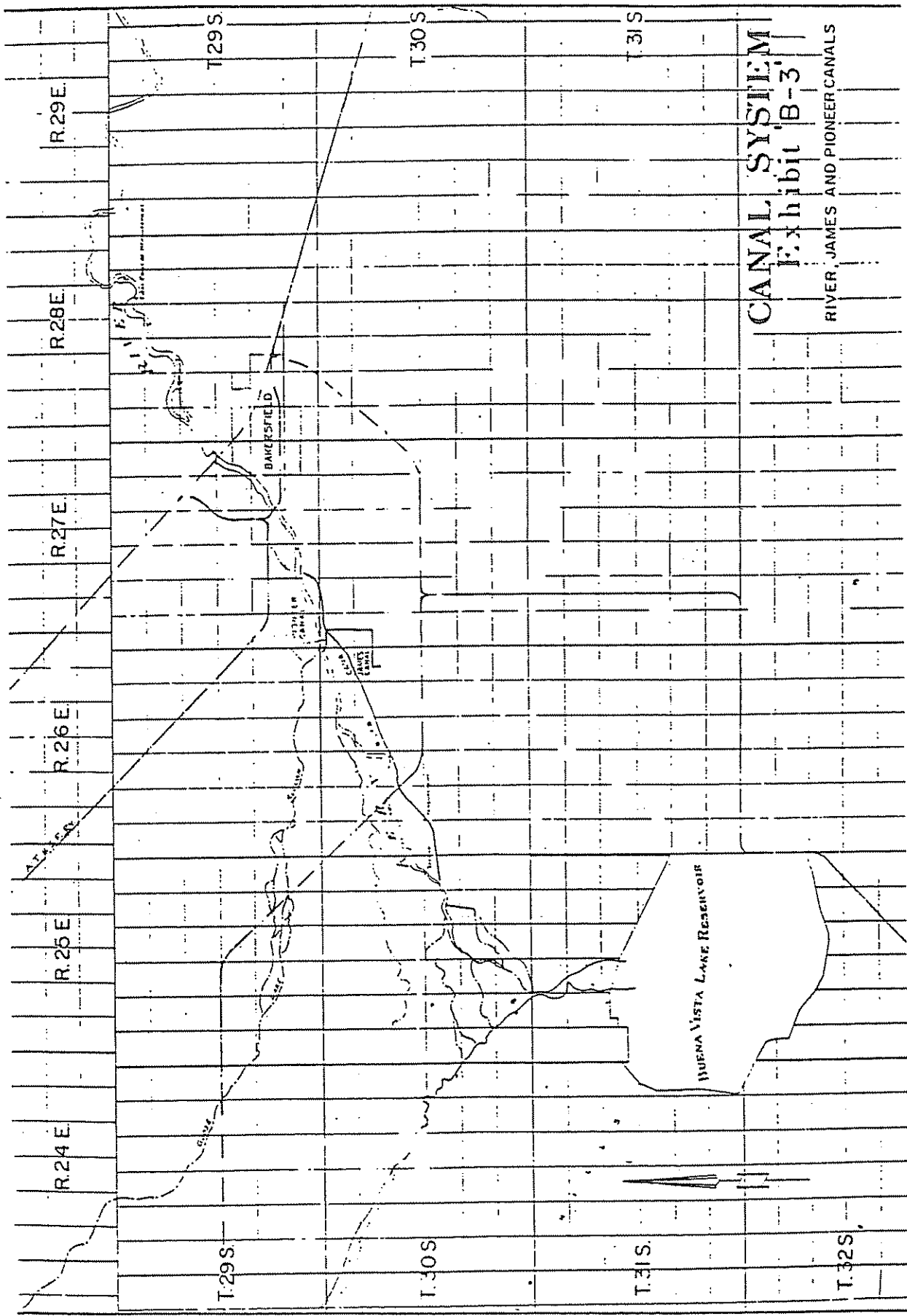
BUENA VISTA LAKE RESERVOIR





CANAL SYSTEM
Exhibit B-2

KERN RIVER CANAL AND IRRIGATING CO.



CANAL SYSTEM
Exhibit B-3
 RIVER, JAMES AND PIONEER CANALS

(A)

ADD WHEN RECORDED MAIL TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

TENNECO WEST, INC., a Delaware corporation, hereinafter called "Grantor", hereby grants to THE CITY OF BAKERSFIELD, a municipal corporation,

hereinafter called "Grantee", all that real property situated in the unincorporated area of Kern County, California, described in Exhibit A attached hereto and made a part hereof.

EXCEPTING AND RESERVING to Grantor, its successors and assigns forever: All oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals"), whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid or gaseous), which are upon, in, under or may be produced from said real property; all salt water which is in, under or may be produced from said real property; the exclusive right, by whatever methods now or hereafter known, as Grantor or its successors or assigns may deem advisable, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove and reduce to possession and ownership, all such minerals and salt water which are upon, in, under or may be produced from said real property; the exclusive right to drill into and through said real property to explore for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect and place upon and in said real property, and use, maintain and operate thereon and thereafter remove, all buildings, tanks, pressure plants and other machinery, fixtures and equipment, pipelines, telephone lines, electric power lines, roads, power houses and other structures and facilities as Grantor or its successors or assigns may deem advisable, for the exercise and enjoyment of the rights herein excepted and reserved; the exclusive right to treat, process (but not refine), store upon and remove from said real property such minerals and salt water; the exclusive right to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor or its successors or assigns may deem advisable, and to inject in and store and thereafter remove such fluids and gases, whether or not indigenous to said real property; the right at all times, without charge, to investigate for, explore for, drill for, produce, remove and reduce to possession and ownership, those quantities of fresh water from aquifers underlying said real property deemed necessary by Grantor or its successors or assigns to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, waterflood, thermal, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved; the right to exercise all rights herein excepted and reserved and any and all other rights upon said real property as Grantor or its successors or assigns deems necessary, incidental to or convenient, whether alone or co-jointly with neighboring lands, in exploring for, producing and extracting the minerals and salt water herein excepted and reserved;

and the unlimited and unrestricted rights of access to said minerals and salt water and of ingress and egress to and from, over and across said real property for all purposes deemed advisable by Grantor or its successors or assigns in the exercise of the rights excepted and reserved herein; provided, however, that Grantor, or its successors and assigns, upon being provided proof thereof, shall compensate Grantee or its successors and assigns for any and all actual damage to improvements and growing crops upon said real property which is caused by the exercise of the rights excepted and reserved herein; and also

EXCEPTING AND RESERVING to Grantor, its successors and assigns forever, the unrestricted right of access for ingress to, egress from and to cross over said real property for any and all purposes deemed advisable by Grantor or its successors or assigns, provided, however, that Grantor, or its successors and assigns, shall exercise such reserved rights over existing trails and future roadways in a manner which will not unreasonably interfere with Grantee's use of said real property and its improvements thereon and, upon being provided proof thereof, shall compensate Grantee or its successors or assigns for any and all actual damage to improvements upon said real property which is caused by the exercise of the rights excepted and reserved herein.

SUBJECT to the lien of general and special county taxes and other governmental charges and assessments, if any.

SUBJECT ALSO to all existing easements, servitudes and rights of way for public roads and highways, pipelines, telephone and electric power lines and other purposes, if any.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others and James B. Haggin and others dated July 28, 1888, and recorded in the Office of the County Recorder of said Kern County in Book 2 of Agreements at page 40, and all amendments thereof and supplements thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed this _____ day of _____, 19____.

TENNECO WEST, INC.

By _____
Senior Vice President

And by _____
Assistant Secretary

STATE OF CALIFORNIA))
) ss.
COUNTY OF KERN)

On this _____ day of _____, 19____, before me, WAYNE E. BROOME, a Notary Public in and for said County and State, personally appeared MELVIN JANS and LEON J. McDONOUGH, known to me to be the Senior Vice President and Assistant Secretary, respectively, of TENNECO WEST, INC., the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC
in and for said County and State

16 28 1975

T 27 1975

Those portions of Sections Thirteen (13), Twenty-Three (23) and Twenty-Four (24), Township Thirty (30) South, Range Twenty-Five (25) East, and of Sections Three (3), Four (4), Eight (8), Nine (9), Ten (10), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20), Township Thirty (30) South, Range Twenty-Six (26) East, Mount Diablo Meridian, Kern County, California, described as follows:

PARCEL 1:

The South Half of the Southeast Quarter (S/2 of SE/4) of said Section 13.

PARCEL 2:

That portion of said Section 23, more particularly described as follows:

Beginning at the east one-quarter corner of said Section 23; thence, along the east line thereof, South 00° 51' 54" West, 340.00 feet; thence South 41° 15' 00" West, 375.00 feet; thence South 52° 30' 00" West, 480.00 feet; thence South 76° 08' 10" West, 511.00 feet; thence North 89° 20' 00" West, 235.00 feet; thence North 71° 35' 00" West, 800.00 feet; thence North 79° 35' 00" West, 435.00 feet, more or less, to a point on the easterly right of way line of Interstate Highway 5, as described in the deed to the State of California recorded March 24, 1967, in the Office of the County Recorder of said Kern County in Book 4037 of Official Records at page 193; thence, along said easterly right of way line, North 31° 46' 00" West, 56.394 feet; thence North 45° 48' 00" West, 615.00 feet; thence North 59° 50' 00" West, 103.08 feet; thence North 45° 48' 00" West, 385.353 feet, more or less, to the east-west centerline of said Section 23; thence, along said centerline, South 88° 41' 55" East, 2790.38 feet; thence North 55° 19' 28" East, 350.00 feet; thence North 74° 21' 35" East, 450.00 feet, more or less, to the east line of said Section 23; thence, along said east line, South 00° 51' 54" West, 325.00 feet, more or less, to the point of beginning.

PARCEL 3:

That portion of said Section 24 lying northerly of a line described as follows:

Beginning at a point on the east line of said Section 24, distant thereon South 30° 22' 38" East, 1526.351 feet from the northeast corner thereof, which point lies on the northerly boundary line of the Kern River Canal right of way, as hereinafter described; thence, along said northerly boundary line, South 82° 29' 42" West, 1202.846 feet to the westerly terminus of the concrete lined section of said canal; thence South 07° 30' 18" East, 100.00 feet; thence, along the southerly boundary of the earthen section of said canal, South 82° 29' 42" West, 2181.995 feet; thence, leaving said boundary, South 39° 25' 12" West, 876.787 feet; thence South 77° 55' 12" West, 1400.00 feet, more or less, to a point on the west line of said Section 24, distant thereon 340.00 feet southerly of the west one-quarter corner thereof.

Excepting Therefrom the Northwest Quarter of the Northwest Quarter (NW/4 of NW/4) and the West Half of the West Half of the Northeast Quarter of the Northwest Quarter (W/2 of W/2 of NE/4 of NW/4) of said Section 24.

BK 006284

PARCEL 4:

The South Half (S/2) of said Section 3; Excepting Therefrom that portion lying southeasterly of a line described as follows:

Beginning at a point on the east line of said Section 3, distant thereon North 00° 20' East, 1568.2 feet from the southeast corner thereof, said point being the northeast corner of the parcel of land described in that certain Indenture from Kern County Land Company to John E. Bailey recorded September 17, 1997, in the Office of the County Recorder of said Kern County in Book 55 of Deeds at page 189; thence, along the northerly and westerly boundaries of said parcel, North 82° 50' West, 518.0 feet; thence South 82° 20' West, 810.4 feet; thence South 55° 55' West, 249.4 feet; thence South 29° 35' West, 461.5 feet; thence South 16° 45' West, 254.0 feet; thence South 38° 05' West, 931.0 feet to the southwest corner of said parcel, a point on the south line of said Section 3; thence North 89° 55' East, 2393.0 feet to the southeast corner of said Section 3.

PARCEL 5:

The Southeast Quarter of the Southeast Quarter (SE/4 of SE/4) of said Section 4.

PARCEL 6:

The Southeast Quarter (SE/4); the East Half of the Southwest Quarter (E/2 of SW/4); and the Southerly 820 feet of the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) of said Section 8; Excepting Therefrom that portion thereof lying within the right of way, 100 feet in width, of the Southern Pacific Transportation Company's Asphalt Branch line.

PARCEL 7:

The South Half (S/2); the East Half of the Northwest Quarter (E/2 of NW/4); and the Northeast Quarter (NE/4) of said Section 9.

PARCEL 8:

The North Half of the Northwest Quarter (N/2 of NW/4); and the Southwest Quarter of the Northwest Quarter (SW/4 of NW/4) of said Section 10.

PARCEL 9:

That portion of said Section 16 lying northerly of the northerly boundary line of the Kern River Canal right of way, as hereinafter described; Excepting Therefrom that portion thereof lying within the right of way, 100 feet in width, of the Southern Pacific Transportation Company's Asphalt Branch line.

PARCEL 10:

That portion of said Section 17 lying northerly of the northerly boundary line of the Kern River Canal right of way, as hereinafter described; Excepting Therefrom that portion thereof lying within the right of way, 100 feet in width, of the Southern Pacific Transportation Company's Asphalt Branch line.

PARCEL 11:

The South Half (S/2); the easterly 1700 feet of the South Half of the South Half of the Northwest Quarter (S/2 of S/2 of NW/4); the

South Half of the South Half of the Northeast Quarter (S/2 of S/2 of NE/4); the easterly 900 feet of the Northeast Quarter of the Northeast Quarter (NE/4 of NE/4); and the easterly 900 feet of the North Half of the Southeast Quarter of the Northeast Quarter (N/2 of SE/4 of NE/4) of said Section 13.

PARCEL 12:

That portion of said Section 19 lying northerly of the northerly boundary line of the Kern River Canal right of way, as hereinafter described.

PARCEL 13:

That portion of said Section 20 lying northerly of the northerly boundary line of the Kern River Canal right of way, as hereinafter described.

Containing in the aggregate 2,810 acres, more or less.

KERN RIVER CANAL RIGHT OF WAY:

A strip of land, one hundred (100) feet in width, lying in Sections Sixteen (16), Seventeen (17), Nineteen (19) and Twenty (20), Township Thirty (30) South, Range Twenty-Six (26) East, the centerline of which strip is more particularly described as follows:

Beginning at a point on the east line of said Section 16, distant thereon South 01° 17' 14" West, 435.95 feet from the northeast corner thereof; thence South 64° 52' 49" West, 1839.60 feet; thence Southwesterly on and along a tangent curve concave to the Northwest, with a radius of 1,000 feet, through a central angle of 15° 21' 23", an arc length of 268.01 feet; thence South 80° 14' 12" West, 2,851.08 feet; thence Southwesterly on and along a tangent curve concave to the Southeast, with a radius of 300 feet, through a central angle of 34° 35' 30", an arc length of 181.12 feet; thence South 45° 38' 42" West, 56.57 feet to a point on the centerline of the right of way of the Southern Pacific Railroad Company; thence, continuing along said tangent South 45° 38' 42" West, 96.62 feet; thence Southwesterly on and along a tangent curve concave to the Northwest, with a radius of 500 feet, through a central angle of 09° 05", an arc length of 85.96 feet; thence South 54° 43' 42" West, 6,699.89 feet to a point on the west line of said Section 20, distant thereon South 01° 02' 25" West, 547.67 feet from the northwest corner thereof; thence continuing along said tangent South 54° 43' 42" West, 533.57 feet; thence Southwesterly on and along a tangent curve concave to the Northwest, with a radius of 1,000 feet, through a central angle of 27° 46' 00" an arc length of 484.63 feet; thence South 82° 29' 42" West, 5,752.85 feet to a point in Section 24, T. 30 S., R. 25 E., intersecting the east line of said Section at a point distant thereon South 00° 22' 38" East, 1,576.74 feet from the northeast corner thereof.

(The centerline hereinabove described is excerpted from Parcel 3 of that certain Canal Easement recorded December 19, 1963, in the Office of the County Recorder of said Kern County in Book 3673 of Official Records at page 603)

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

BOOK
PAGE
CY &
DATE

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

TENNECO WEST, INC., a Delaware corporation, hereinafter called "Grantor", subject to a condition subsequent, hereby GRANTS to the CITY OF BAKERSFIELD, a municipal corporation, hereinafter called "Grantee", all that real property situated in the unincorporated area of Kern County, California, described in Exhibit A attached hereto and made a part hereof.

EXCEPTING AND RESERVING to Grantor, its successors and assigns forever: All oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals"), whether now known or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid or gaseous), which are upon, in, under or may be produced from said real property; all salt water which is in, under or may be produced from said real property; the exclusive right, by whatever methods now or hereafter known, as Grantor or its successors or assigns may deem advisable, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove and reduce to possession and ownership, all such minerals and salt water which are upon, in, under or may be produced from said real property; the exclusive right to drill into and through said real property to explore for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect and place upon and in said real property, and use, maintain and operate thereon and thereafter remove, all buildings, tanks, pressure plants and other machinery, fixtures and equipment, pipelines, telephone lines, electric power lines, roads, power houses and other structures and facilities as Grantor or its successors or assigns may deem advisable, for the exercise and enjoyment of the rights herein excepted and reserved; the exclusive right to treat, process (but not refine), store upon and remove from said real property such minerals and salt water; the exclusive right to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor or its successors or assigns may deem advisable, and to inject in and store and thereafter remove such fluids and gases, whether or not indigenous to said real property; the right at all times, without charge, to investigate for, explore for, drill for, produce, remove and reduce to possession and ownership, those quantities of fresh water from aquifers underlying said real property deemed necessary by Grantor or its successors or assigns to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, waterflood, thermal, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved; the right to exercise all rights herein excepted and reserved and any and all other rights upon said real property as Grantor or its successors or assigns deems necessary, incidental to or convenient, whether alone or co-jointly with neighboring lands, in exploring for, producing and extracting the minerals and salt water herein excepted and reserved; and the unlimited and unrestricted right of access to said minerals and salt water for all purposes, provided, however, that unless the consent of the surface owner is first obtained, Grantor, its successors and assigns, shall not enter upon the surface or in or through the upper five hundred (500) feet of the subsurface in the exercise of the rights excepted and reserved herein.

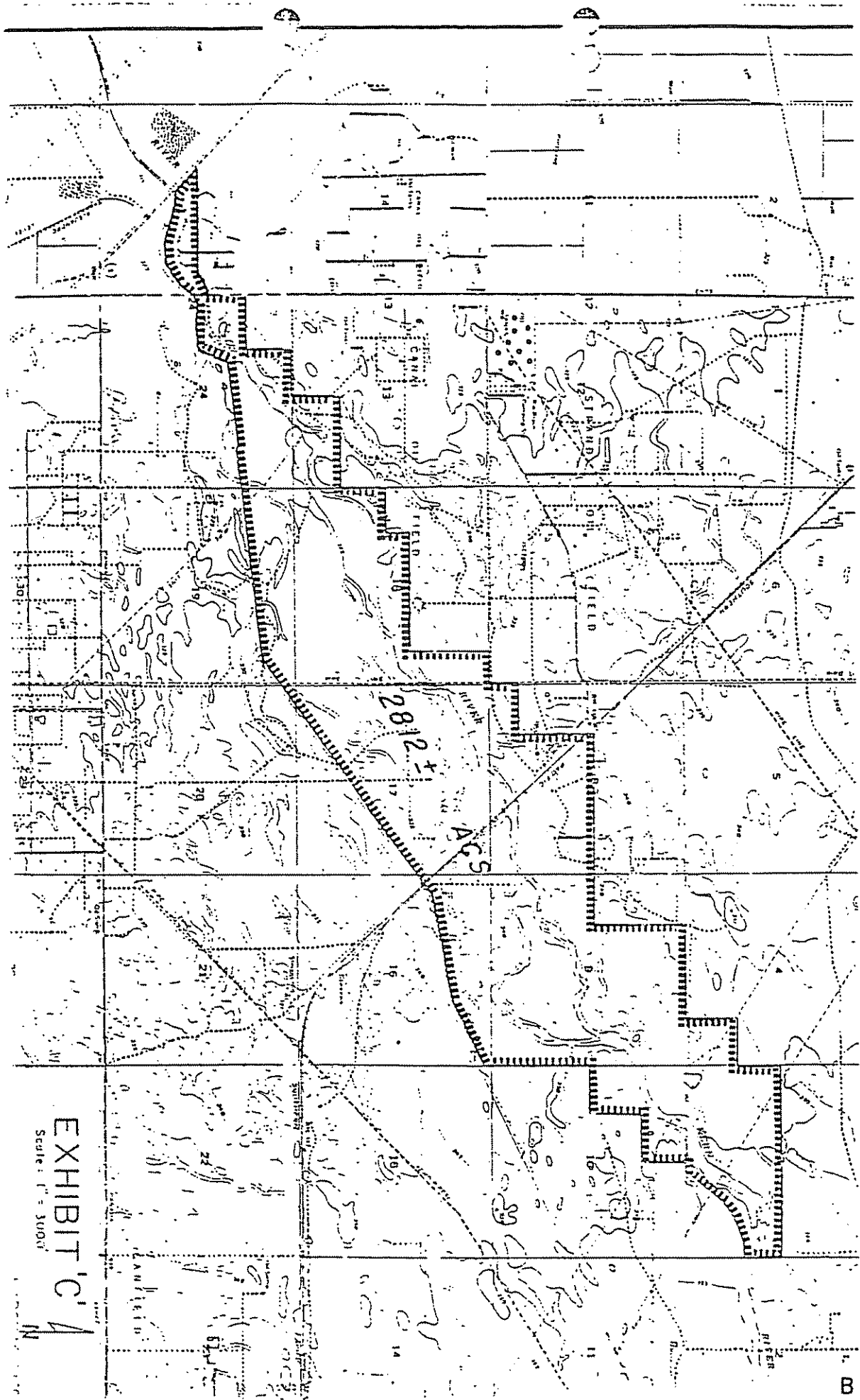
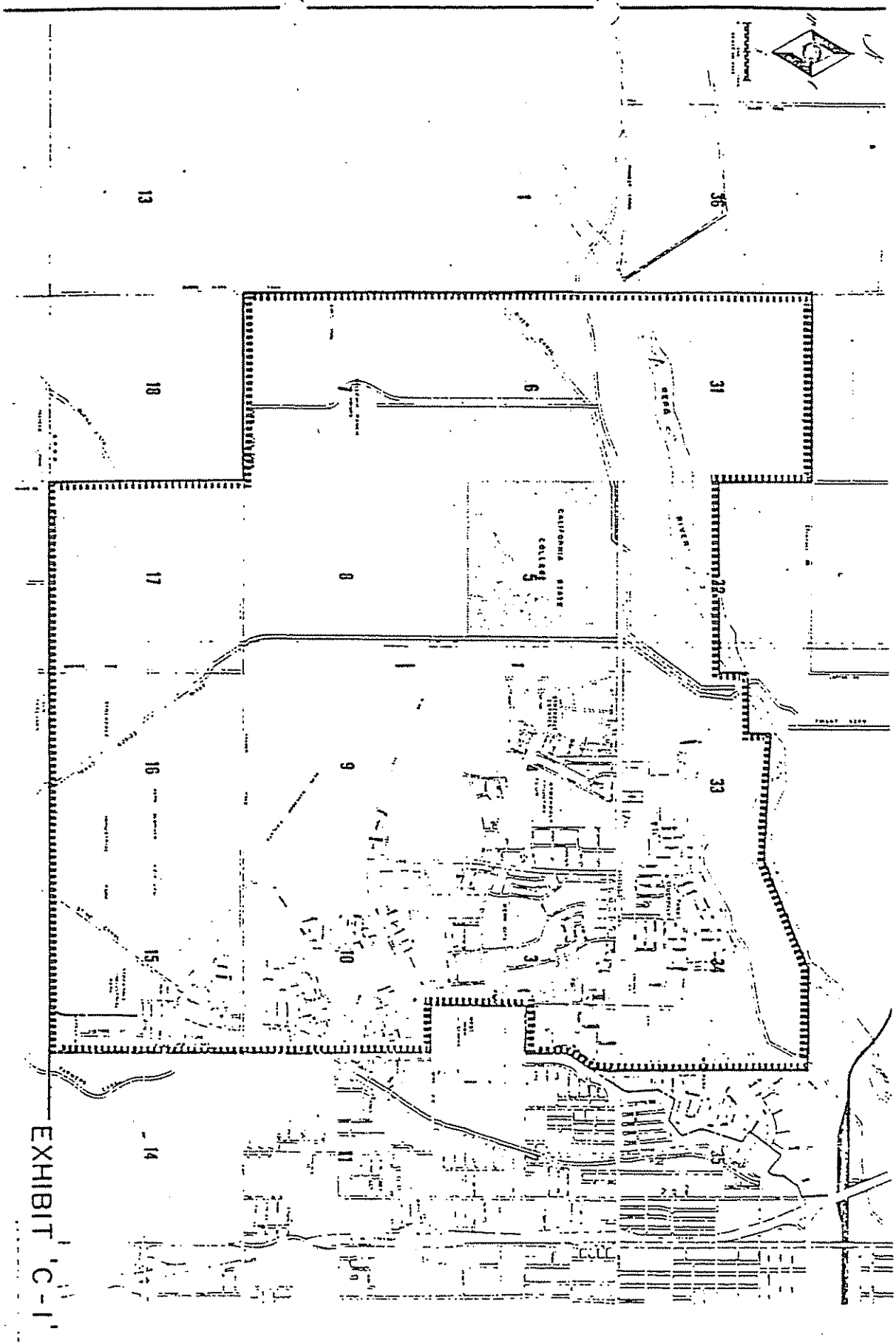


EXHIBIT 'C' 1
Scale: 1" = 3000'



EXCEPTING AND RESERVING to Grantor, its successors and assigns forever, the unrestricted right of access for ingress to, egress from and to cross over said real property for any and all purposes deemed advisable by Grantor or its successors or assigns, provided, however, that Grantor, or its successors and assigns, shall exercise such reserved rights over existing canal banks and existing and future bridges in a manner which will not unreasonably interfere with Grantee's use of said real property and its improvements thereon and, upon being provided proof thereof, shall compensate Grantee or its successors or assigns for any and all actual damage to improvements upon said real property which is caused by the exercise of the rights excepted and reserved herein

EXCEPTING AND RESERVING to Grantor, its successors and assigns forever, the unrestricted right of access to cross over said real property for any and all purposes deemed advisable by Grantor or its successors or assigns; provided, however, that Grantor, or its successors and assigns, shall exercise such reserved right in a manner which will not unreasonably interfere with Grantee's use of said real property and its improvements thereon, and provided further that any structures necessarily constructed for the purposes of such access shall be constructed at the sole cost and expense of Grantor, or its successors or assigns, and to specifications approved by Grantee, which approval shall not be unreasonably withheld.

SUBJECT to the lien of general and special county taxes and other governmental charges and assessments, if any.

SUBJECT ALSO to the rights of the lessee under any existing oil and gas lease, and to all existing easements, servitudes and rights of way for public roads and highways, pipelines, telephone and electric power lines and other purposes, if any, pertaining to said real property.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others and James B. Maggin and others dated July 28, 1888 and recorded in the Office of the County Recorder of said Kern County in Book 2 of Agreements at page 40, and all amendments thereof and supplements thereto.

AS A MATERIAL PART OF THE CONSIDERATION paid or payable by Grantee to Grantor for the real property herein conveyed, Grantee represents and warrants that said real property is being acquired and shall be used for the sole and exclusive purpose of operating and maintaining thereon a canal for the transportation of water, and in furtherance of such representation and warranty, Grantor hereby EXCEPTS AND RESERVES to itself, its successors and assigns, a possibility of reverter to recover title to and reenter upon and take and hold possession of said real property or any part thereof free of the effect of this Grant Deed, if and when and to the extent that said real property or any part thereof shall have ceased for a period of three (3) years to be operated and maintained for the purposes herein granted; and such possibility of reverter and recovery of title and its reversion in Grantor, or its successor or assign, is hereby authorized by Grantee to be effected by the recordation in the Office of the County Recorder of said Kern County of a unilateral instrument executed by Grantor, or its successor or assign, reciting (a) the names of the Grantor and Grantee, (b) a reference to the date and place of recordation of this Grant Deed, (c) the date of cessation of operation and maintenance of the canal or the part or parts thereof to which such possibility of reverter and recovery of title is to be effected, (d) the description of said real property or the relevant part or parts thereof as to which such possibility of reverter and recovery of title shall apply, and (e) a statement to the effect that such instrument is recorded pursuant to the possibility of reverter contained in this Grant Deed; PROVIDED, however, that such possibility of reverter and recovery of title and repossession of said

real property, or any part or parts thereof, shall not be exercised or exercisable by Grantor, or its successor or assign, during the term, or the amortization period if shorter, of the Leasehold Mortgage Bonds, if any, issued by the Water Finance Corporation of the City of Bakersfield which include said real property as a part of the security.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed and Grantee has executed its ratification of the condition subsequent hereinabove contained as of this day of 19 .

TENNECO WEST, INC.

By _____
Senior Vice President

and by _____
Assistant Secretary

CONDITION SUBSEQUENT RATIFIED:

CITY OF BAKERSFIELD

By _____

KERN RIVER CANAL RIGHT OF WAY:

A strip of land, one hundred (100) feet in width, lying in Sections Sixteen (16), Seventeen (17), Nineteen (19) and Twenty (20), Township Thirty (30) South, Range Twenty-Six (26) East, and in Section Twenty-Four (24), Township Thirty (30) South, Range Twenty-Five (25) East, the centerline of which strip is more particularly described as follows:

Beginning at a point on the east line of said Section 16, distant thereon South $01^{\circ} 17' 14''$ West, 435.95 feet from the northeast corner thereof; thence South $64^{\circ} 52' 49''$ West, 1839.60 feet; thence Southwesterly on and along a tangent curve concave to the northwest, with a radius of 1,000 feet, through a central angle of $15^{\circ} 21' 23''$, an arc length of 268.01 feet; thence South $80^{\circ} 14' 12''$ West, 2,951.08 feet; thence Southwesterly on and along a tangent curve concave to the southeast, with a radius of 300 feet, through a central angle of $34^{\circ} 35' 30''$, an arc length of 181.12 feet; thence South $45^{\circ} 38' 42''$ West, 56.57 feet to a point on the centerline of the right of way of the Southern Pacific Railroad Company; thence, continuing along said tangent South $45^{\circ} 38' 42''$ West, 96.62 feet; thence Southwesterly on and along a tangent curve concave to the northwest, with a radius of 500 feet, through a central angle of $09^{\circ} 05''$, an arc length of 85.96 feet; thence South $54^{\circ} 43' 42''$ West, 6,699.89 feet to a point on the west line of said Section 20, distant thereon South $01^{\circ} 02' 25''$ West, 547.67 feet from the northwest corner thereof; thence continuing along said tangent South $54^{\circ} 43' 42''$ West, 533.57 feet; thence Southwesterly on and along a tangent curve concave to the northwest, with a radius of 1,000 feet, through a central angle of $27^{\circ} 46' 00''$, an arc length of 484.63 feet; thence South $82^{\circ} 29' 42''$ West, 1,196.594 feet to a point in said Section 24, (intersecting the east line of said Section 24, at a point distant thereon South $00^{\circ} 22' 38''$ East, 1576.74 feet from the northeast corner thereof) to the westerly terminus of the concrete lined section of the Kern River Canal.

SCHEDULE OF VEHICLES USED
BY KERRI ISLAND WATER COMPANY AND ASHE WATER
AS OF APRIL 1, 1976
SCHEDULE A

SCHEDULE A
Page 1 of 2

Property Number	Equipment Number	License Number	Assigned To	Description	Location	Mileage	Cost	Book	Ret
						Number		3/31/76	Book Value
005102	05-00132	005102K	J. Chaffin	1974 Chev. Sedan #113064C133046	Oak St.	51,003	3,955.55	2,225.97	1,729.48
003623	05-30124	40219A	Maintenance	1968 Ford 1/2 Ton #F109FC9242	Oak St.	77,001	3,133.52	3,133.52	-0-
003627	05-30140	00712C	Maintenance	1969 Ford 1/2 Ton #F109FT30107	Oak St.	26,776	2,634.10	2,634.10	-0-
006453	05-30172	79232D	Maintenance	1969 Ford 1/2 Ton #F109RT92795	Oak St.	92,951	2,599.99	2,599.99	-0-
003642	05-30223	11617J	Field Office	1971 Chev. 1/2 Ton #C1417163972	Field Office	91,500	3,390.78	3,956.87	333.91
005526	05-30279	049FCY	Maintenance	1971 International Scout #RR2876442607	Oak St.	49,289	3,003.56	3,476.09	317.47
003127	05-30330	92453H	Hydrographic	1972 Ford 1/2 Ton #C14111111111111111111	Oak St.	34,406	2,838.15	1,939.27	879.88
006215	05-30335	93269H	Maintenance	1972 Ford 1/2 Ton Cab & Ch #F17YR61548	Oak St.	43,796	3,522.10	2,496.66	1,155.44
003750	05-30363	34037P	Ditch Rider	1973 Ford 1/2 Ton #110YH950782	Oak St.	68,394	3,517.25	1,726.20	1,665.55
003762	05-30365	35059P	Ditch Rider	1973 Ford 1/2 Ton #F109R60351	K.I. II	86,690	2,959.44	1,726.20	1,233.24
003759	05-30366	35061P	Ditch Rider	1973 Ford 1/2 Ton #F109R60352	Oak St.	92,447	2,959.44	1,726.20	1,233.24
003761	05-30367	35060P	Ditch Rider	1973 Ford 1/2 Ton #F109R61520	Oak St.	102,734	2,959.44	1,726.20	1,233.24
003763	05-30369	35060P	Ditch Rider	1973 Ford 1/2 Ton #F109R61521	Oak St.	98,952	2,959.44	1,726.20	1,233.24
003757	05-30370	43636H	Ditch Rider	1973 Chev. 1/2 Ton #CCY1432137977	Oak St.	109,794	2,959.44	1,726.20	1,233.24
003756	05-30371	34789P	Ditch Rider	1973 Chev. 1/2 Ton #CCY14321598110	Oak St.	53,800	3,079.74	1,798.95	1,271.69
003752	05-30309	35327P	Ditch Rider	1973 Chev. 1/2 Ton #CCY14321598110	Oak St.	69,572	3,079.74	1,798.95	1,271.69
003751	05-30394	93899Y	E. Steinhelz	1974 Chev. 1/2 Ton #CCY14421233110	Oak St.	89,522	3,079.74	1,798.95	1,271.69
006138	05-30407	13P60Y	Ditch Rider	1974 Ford 1/2 Ton #F109R61521	Oak St.	56,836	4,048.14	1,079.52	2,968.62
005700	05-30436	26905X	Ditch Rider	1975 Chev. 1/2 Ton #CCY1452127666	Oak St.	117,597*	4,048.14	1,079.52	2,968.62
005686	05-30430	26232X	Kern Island	1975 Chev. 1/2 Ton #CCY1452127106	Oak St.	53,097	4,048.14	1,079.52	2,968.62
005687	05-30439	26234X	Ditch Rider	1975 Chev. 1/2 Ton #CCY145212742	Oak St.	55,658	4,048.14	1,079.52	2,968.62
005701	05-30440	26507X	Ditch Rider	1975 Chev. 1/2 Ton #CCY1452127672	Oak St.	43,976	4,048.14	1,079.52	2,968.62
005688	05-30441	26222X	Ditch Rider	1975 Chev. 1/2 Ton #CCY1452127780	Oak St.	51,321	4,048.14	1,079.52	2,968.62
005689	05-30442	26233X	Ditch Rider	1975 Chev. 1/2 Ton #CCY1452127825	Oak St.	113,647	6,512.74	6,512.74	-0-
003636	05-50007	Q3066D		1967 Ford Dump Truck #F61DPA14579	Oak St.	55,412	3,774.00	3,774.00	-0-
003625	05-50017	R88469		1965 Ford Flat Bed 2 Ton #F60AV626034	Oak St.				

SCHEDULE A
Page 2 of 2

Property Number	Equipment Number	License Number	Assigned To	Description	Location	Mileage Number	Cost	Ret Reserve 3/31/76	Net Book Value
002199	05-50064	U93475		1966 Dodge Truck Spray Rig #45N1G36436	Oak St.	13,201	1,550.00	1,550.00	-0-
003628	05-50084	466A0C		1969 GMC 2 Ton Dump Bed #1150YCDG0452	Oak St.	09,244	2,195.00	2,195.00	-0-
003829	05-50106	34064P		1973 Chev. Spray Rig #CCE613V13106	Oak St.	25,407	6,441.72	5,190.01	1,251.71
804035	05-30304	73078P	F. Tinoco	1973 Chev. 1/2 Ton with Utility Bed #CCY133Z102002	Oak St.	30,186	3,713.00	1,018.59	1,794.41
005966	05-30456	42770X	D. Estrada	1975 Chev. 1/2 Ton #CCY135Z141760	Oak St.	15,819	5,273.97	506.50	4,397.07
803659	05-00109	754FIU	K. O'Leary	1973 Ford Sedan #3156H104077	Oak St.	40,044	3,791.21	2,922.56	622.95
032729	05-50053	04044L	Head Control	1971 Int'l. 1 Ton Spray Rig #11330H175689	Oak St.	35,148	4,409.72	3,336.63	1,072.89
	05-30385	73071P	Bob Boyd	1973 Chev. 1/2 Ton #CCY133Z102055	Oak St.	25,235	3,713.00	1,518.59	1,794.41
							<u>\$125,738.72</u>		
							<u>\$77,117.81</u>	<u>\$46,622.91</u>	

*This unit was rebuilt. The speedometer has 58,000 more miles on it than it should have.

SCHEDULE OF COMMUNICATION EQUIPMENT
USED BY KENN ISLAND WATER COMPANY
AS OF APRIL 1, 1976
SCHEDULE B

Property Number	Owner Company	Description	Cost	Book Reserve 3/31/76	Net Book Value	Estimated Value
Mobile Radios						
3558	TMI	Motorola 2 way Radio Unit #101 in Unit 05-00132	\$1,110.69	531.24	587.45	400.00
07	TMI	Motorola 2 way Radio Unit #102 in Unit 05-30440	762.66	762.66	-0-	400.00
3768	TMI	Motorola 2 way Radio Unit #103 in Unit 05-30497	1,426.06	1,426.06	-0-	400.00
3615	TMI	Motorola 2 way Radio Unit #104 in Unit 05-30438	1,159.80	522.03	637.77	400.00
3539	TMI	Motorola 2 way Radio Unit #105 in Unit 05-30366	459.00	374.95	84.05	300.00
3643	TMI	Motorola 2 way Radio Unit #107 in Unit 05-30439	1,426.06	1,426.06	-0-	400.00
3645	TMI	Motorola 2 way Radio Unit #108 in Unit 05-30394	1,426.06	1,426.06	-0-	400.00
3617	TMI	Motorola 2 way Radio Unit #110 in Unit 05-30442	762.66	762.66	-0-	400.00
3647	TMI	Motorola 2 way Radio Unit #111 in Unit 05-30223	459.00	374.95	84.05	300.00
3749	TMI	Motorola 2 way Radio Unit #112 in Unit 05-30389	1,159.80	522.03	637.77	700.00
1798	TMI	Motorola 2 way Radio Unit #114 in Unit 05-30370	1,020.84	841.89	178.95	700.00
3641	TMI	Motorola 2 way Radio Unit #116 in Unit 05-30365	1,010.78	900.79	109.99	700.00
006296	TMI	Motorola 2 way Radio Unit KFR 40	459.00	374.95	84.05	300.00
3098	TMI	*Motorola 2 way Radio Unit #119 Royal Executive	956.39	637.47	318.92	500.00
3991	TMI	Motorola Phone Patch System	315.36	87.60	227.76	300.00
3532	TMI	2 - Motorola Desk Sets	1,282.14	667.50	614.64	2,000.00
		Motorola Repeater Radio	1,750.00	1,640.25	109.75	700.00
		Motorola 2 way Radio Unit #109 in Unit 05-30441				

Total Estimated Value of Radio Equipment \$10,600.00

SCHEDULE OF MISCELLANEOUS EQUIPMENT
 USED BY KERI ISLAND WATER COMPANY
 AS OF APRIL 1, 1976
 SCHEDULE C

Property Number	Owner Company	Description	Location	Eq. In.	License	Cost	Reserve 3/31/76	Net Book Value	Estimated Value
1972	TUI	Tiltbed Trailer - 20 Ton - Iyster	Oak St.	92-305	VC8912	\$ 2,442.42	2,170.00	272.42	2,900.00
3637	"	Tiltbed Trailer - 15 Ton - Iyster	Oak St.	92-015	VG5720	5,697.88	5,697.00	-0-	2,592.99
3775	"	D-40 Caterpillar w/Crawler Ser. #031651	Oak St.	14-059		23,054.49	23,054.49	-0-	12,901.00
803014	"	D-6D Ser. #76AA757	Oak St.	25-001		32,768.99	32,768.99	-0-	16,000.00
802890	"	Dragline - Bucyrus Erie	Oak St.	26-099		36,194.54	36,194.54	-0-	18,000.00
892828	"	Sloper - Cat. 12 Grader #006503	Oak St.	30-028		19,623.56	19,623.56	-0-	8,000.00
802929	"	Sloper - Cat. 14 Grader #726153 w/D blade	Oak St.	30-029		48,515.69	47,820.17	687.52	24,000.00
803741	"	Case Tractor Model 570 Diesel Ser. #8677535	Oak St.	13-006		6,372.20	2,433.27	3,938.93	5,310.68
803747	"	Ford Fallt Shredder Ser. #508504	Oak St.	63-005		786.22	294.84	491.38	300.00

Property Number	Owner Company	Description	Location	Eq. In.	License	Cost	Reserve 3/31/76	Net Book Value	Estimated Value
57,325	TUI	Spray Rig - John Bean 1000 Gal. ITD on TRK #05-50031	Ashe Water	36-092		3,417.00	1,494.47	1,922.53	1,500.00
03631	"	Spray Rig - John Bean 200 Gal. ITD on P.V. #05-30096	Oak St.	36-093		2,108.52	2,108.52	-0-	600.00
804107	"	Spray Rig - HIT Shop Trade ITD on TRK. #05-50106	Oak St.	36-094		5,795.47	1,249.99	4,545.48	5,956.80

Property Number	Owner Company	Description	Location	Eq. In.	License	Cost	Reserve 3/31/76	Net Book Value	Estimated Value
007270	TUI	HomeLite Diaphragm MTR. Pump #1506999	Ashe Water	-0-		153.01	153.01	-0-	50.00
007271	"	Craig Tape Recorder, Model 212	Oak St.	-0-		97.17	90.68	6.49	35.00
007276	"	Polaroid Land Camera, Model 103	Oak St.	-0-		93.98	58.50	35.48	70.00
003513	"	HomeLite Cassette Tape Recorder #2605	Oak St.	-0-		178.45	106.32	72.13	130.00
003514	"	Portable Loudspeaker	Oak St.	-0-		45.00	41.85	3.15	25.00
	"	Halsey - Taylor Water Fountain	Oak St.	-0-		112.60	112.60	-0-	75.00

Property Number	Owner Company	Description	Location	Eq. No.	License	Cost	Book Reserve	Net Book Value	Estimated Value
003540	THI	Canal Alarm Systems Water Meter - Current Meter #15109 Leitz Construction Level #13628 w/Tripod 20-Stevens Type F Water Recorder	Oak St. Oak St. Oak St. Oak St.			\$ 1,750.00 800.00	1,750.00 350.09	-0- 449.91	750.00 50.00 150.00 2,000.00
003667		Clinton Power Generator 6 Ft. Aluminum Step Ladder Sandblasting Machine w/Compressor Platform Scale	Oak St. Stor. Oak St. Stor. Oak St. Stor. Oak St. Stor.			907.19	479.09	507.30	32.00 15.00 750.00 50.00
006637		Paint Sprayer - Soars Model 106153540	Ashb Water			219.43	219.43	-0-	150.00
003866		Portable 4" Pump	Oak St.			155.00	145.00	9.20	50.00
Total Estimated Value						<u>\$192,168.01</u>	<u>\$179,226.09</u>	<u>\$12,941.92</u>	<u>\$100,622.48</u>

SCHEDULE OF OFFICE EQUIPMENT
BEING USED BY KERN ISLAND CANAL CO. AND ASHE WATER
AS OF APRIL 1, 1976
SCHEDULE D

Property Number	Owner Company	Description	Location	Cost	Book Reserve 3/31/76	Net Book Value	Estimated Value
478		Remington Rand KCL E0067	Main Office	\$ 501.59	(501.59)	-0-	40.00
Office Machines							
003522	HHT	Victor Adding Mach., Ser. #1765292	Oak St.	332.55	(332.55)	-0-	40.00
003521	HHT	IBM Electric Typewriter, Ser. #1614047	Oak St.	545.57	(545.57)	-0-	189.00
003558	TWI	Cincinnati Time Clock #768546	Oak St.	275.31	(130.53)	144.78	75.90
003541	HHT	Romero Calculator #168895	Oak St.	490.14	(453.11)	37.03	210.00
004093	HHT	Victor Adder #1694433	Oak St.	261.08	(261.08)	-0-	75.00
005962	HHT	Frieden Calculator #709495	Oak St.	915.20	(846.21)	68.99	35.00
006406	HHT	Olivetti Calc. #4018969	Main Office	729.75	(334.40)	395.35	600.00
006485	HHT	IBM Elect. Typewriter #2726490	Main Office	530.40	(494.80)	35.60	375.00
003542	HHT	Honroe 10 Key Adder #H-113312-D E0220	Oak St.	1,141.10	(1,141.10)	-0-	25.00
006168	HHT	Honroe Rotary Calc. #B132068	Oak St.	910.00	(910.00)	-0-	30.00
47571	TWI	Honroe Posting Mach. on Stand Model #166B300, Ser. #J167664	Main Office	910.00	(910.00)	-0-	250.00
		Honroe H082382 Calculator	Oak St.	190.50	(12.72)	177.78	150.00
Office Furniture							
003537	HHT	Steelcase Desk	Oak St.	240.83	(240.83)	-0-	139.00
003538	HHT	Metal Table w/Formica Top	Oak St.	156.00	(156.00)	-0-	59.00
003539	HHT	Hon Metal Shelf Cabinet	Oak St.	60.63	(60.63)	-0-	39.00
003520	HHT	Oak Desk	Oak St.	134.26	(134.26)	-0-	35.00
003523	HHT	Hon 2 Dwr. Legal File	Oak St.	56.46	(56.46)	-0-	25.00
003524	HHT	Holga 5 Dwr. Legal File	Oak St.	158.60	(158.60)	-0-	65.99
003525	HHT	Durroughs Cabinet w/Stiding Door	Oak St.	198.26	(198.26)	-0-	45.00
003518	HHT	30" x 60" Metal Table w/Formica Top	Oak St.	104.99	(104.99)	-0-	50.00
003505	HHT	Globe-Hernicke 4 Dwr. Legal File	Oak St.	158.08	(158.08)	-0-	60.00
003506	HHT	Globe-Hernicke 4 Dwr. Legal File	Oak St.	158.08	(158.08)	-0-	60.00

Property Number	Owner Company	Description	Location	Cost	Book Reserve 3/31/76	Net Book Value	Estimated Value
Office Furniture Cont'd.							
003507	HIT	Devon 4 Dwr. File	Oak St.	159.19	(159.19)	-0-	60.00
003526	HIT	Legal 5 Dwr. Legal File	Oak St.	127.12	(127.12)	-0-	65.00
003509	HIT	Feathertouch 5 Dwr. Legal File	Oak St.	167.96	(167.96)	-0-	65.00
003510	HIT	Art Metal 4 Dwr. Legal File	Oak St.	138.45	(138.45)	-0-	60.00
003511	HIT	Art Metal 4 Dwr. Legal File	Oak St.	138.45	(138.45)	-0-	60.00
003512	HIT	1017 Dwr. Steelcase File Cabinet	Oak St.	93.57	(38.22)	55.35	100.00
003513	HIT	Globe-Hernicke Cashiers Cabinet	Oak St.	89.23	(89.23)	-0-	85.00
003514	HIT	Legal Cabinet w/Doors	Oak St.	102.17	(102.17)	-0-	59.00
003515	HIT	Legal Stand w/Storage	Oak St.	146.00	(146.00)	-0-	55.00
003516	HIT	Globe-Hernicke 5 Dwr. Legal File	Oak St.	59.35	(59.35)	-0-	65.00
003517	HIT	Metal 2 Dwr. Legal File	Oak St.	119.10	(119.10)	-0-	25.00
003518	HIT	Steelcase Desk	Oak St.	59.35	(59.35)	-0-	55.00
003519	HIT	Iron 2 Dwr. Legal File	Oak St.	143.26	(143.26)	-0-	25.00
003520	HIT	Art Metal Table 30" x 60"	Oak St.	475.31	(475.31)	-0-	50.00
003521	HIT	Victor Visible Files, 1-17 Dwr., 2-10 Dwr.	Oak St.	109.67	(108.67)	-0-	175.00
003522	HIT	Globe-Hernicke 5 Dwr. Legal File	Oak St.	59.34	(59.34)	-0-	65.00
003523	HIT	Iron 2 Dwr. Legal File	Oak St.	210.71	(210.71)	-0-	25.00
003524	HIT	Steelcase Desk	Oak St.	102.16	(102.16)	-0-	139.00
003525	HIT	Wood Table 24" x 18"	Oak St.	76.50	(76.50)	-0-	20.00
003526	HIT	Iron 2 Dwr. Legal File	Oak St.	169.22	(169.22)	-0-	35.00
003527	HIT	Metal Desk Globe-Hernicke 32" x 60"	Oak St.	89.23	(89.23)	-0-	35.00
003528	HIT	Metal Cabinet w/Doors	Oak St.			-0-	50.00
003529	HIT	30" x 60" Metal Table	Oak St.			-0-	50.00
003530	HIT	Metal Bookcase	Oak St.			-0-	25.00
003531	HIT	Steelcase Desk 30" x 60"	Oak St.			-0-	100.00
003532	HIT	Steelcase Desk 30" x 60"	Oak St.			-0-	100.00
003533	HIT	Iron Metal Bookcase	Oak St.			-0-	25.00
003534	HIT	Iron Metal Bookcase	Oak St.			-0-	25.00
003535	HIT	Iron Metal Bookcase	Oak St.			-0-	25.00
003536	HIT	Iron Metal Bookcase	Oak St.			-0-	25.00
003537	HIT	McDowell-Craig Steel Drafting Table	Main Office	156.00	(137.77)	18.23	75.00
003538	HIT	Art Steelmaster 2 Dwr. Legal File	Main Office	121.35	(116.21)	5.14	60.00
003539	SDC	Steelcase 3 Dwr. Legal File	Main Office	95.68	(95.68)	-0-	35.00
006521	HIT	Iron Steelcase Metal Bookcase	Main Office	93.91	(85.18)	8.73	45.00
006500	HIT	Iron Steelcase Metal Bookcase	Main Office	93.91	(85.18)	8.73	45.00

Property Number	Owner Company	Description	Location	Cost	Book Reserve 3/31/76	Net Book Value	Estimated Value
Office Furniture Cont'd.							
006501	HMT	Holga Deluxe 2 Dwr. Letter File	Main Office	73.80	(73.80)		45.00
005932	HMT	Steel Secretarial Desk w/Arm	Main Office	243.94	(168.58)	75.36	125.00
006578	HMT	Hamilton Metal Map Storage - 5 Dwr.	Main Office	121.89	(121.89)	-0-	50.00
006579	HMT	Hamilton Metal Map Storage - 5 Dwr.	Main Office	121.89	(121.89)	-0-	50.00
Other Office Equip.							
003533		7-Desk Chairs, Upholstered, w/Arms	Oak St.				75.00
		6-Side Chairs, Upholstered, w/Arms	Oak St.				50.00
		11-Side Chairs, Upholstered, w/o Arms	Oak St.				60.00
		1-Secretarial Chair	Oak St.				20.00
		1-Draftsman's Stools	Oak St.				40.00
		1-Wood Draftsman's Table	Oak St.				20.00
		1-30" x 60" Metal Table	Oak St.				50.00
		1-Steel Bookcase - 2 Shelf	Oak St.	93.92	(93.92)	-0-	40.00
		2-Steel Water Card Racks	Oak St.				3.00
		1-8" Fan Electric	Oak St.				10.00
003515		1-36" x 75" Metal Table	Oak St.	20.00	(8.79)	11.21	10.00
005948		1-30" x 60" Metal Table	Oak St.	143.26	(143.26)	-0-	60.00
006049		1-File Cabinet, Metal 3 Dwr. - 2-4" Drawers 1-10" Drawer	Oak St.	136.74	(126.47)	10.27	50.00
		1-Wood Bookcase, Glass Front, 2 Shelf	Main Office				20.00
		2-2Dwr. Card File 3 x 5	Main Office				10.00
		4-5" x 8" Metal Card Files	Main Office				20.00
		1-Drafting Lamp - 2 Light	Main Office				15.00
		2-2Dwr. Legal Files	Main Office				35.00
		1-Wood Bookcase - 2 Shelf - Open Front	Main Office				15.00
		1-30" x 42" Metal Desk - Beige	Main Office				75.00
		1-30" x 60" Metal Desk - Beige	Main Office				75.00
		1-Map Case Base	Main Office				15.00
		1-8' x 4' Map Board, Cork Backed	Main Office				25.00

Property Number	Owner Company	Description	Location	Cost	Book Reserve 3/31/76	Net Book Value	Estimated Value
Other Office Equip. Cont'd.							
		1-Metal & Plastic Side Chair	Main Office				10.00
		1-Secretarial Chair Metal & Fabric	Main Office				15.00
		5' x 6' Hap Board, Cork Backed	Main Office				15.00
		5-1/2' x 4' Hap Board, Cork Backed	Main Office				15.00
		5-1/2' x 5-1/2' Hap Board, Cork Backed	Main Office				15.00
		2-Plastic Upholstered Swivel Chairs	Main Office				20.00
		36" x 60" Desk - 6 Dwr. Formica Covered	Main Office				20.00
		1-Metal Table 30" x 60"	KHNSD Office				30.00
		2-Metal Side Chairs	KHNSD Office				20.00
		1-Wood Arm Chair	KHNSD Office				15.00
		1-Upholstered Desk Chair	KHNSD Office				10.00
		1-Wood Drafting Table - Homemade	KHNSD Office				10.00
		1-Dristol Recorder #69M1021	Ashe Water Bldg.				50.00
		1-2 Shelf Metal Bookcase	Ashe Water Bldg.				5.00
		1-2 Shelf Wood Bookcase	Ashe Water Bldg.				10.00
		2-Chairs Wood Straight Back	Ashe Water Bldg.				10.00
		1-Chair Wood Desk Swivel	Ashe Water Bldg.				10.00
		1-Drafting Stool, Metal	Ashe Water Bldg.				7.50
		1-Wood Table 30" x 48"	Ashe Water Bldg.				10.00
		1-Desk Wood 6 Drawer 3' x 5'	Ashe Water Bldg.				20.00
		1-1 Drawer 3 x 5 Card File	Ashe Water Bldg.				3.00
		1-Frigidaire Refrigerator	Ashe Water Bldg.				5.00
		1-1-Drawer 4 x 5 Card File	Ashe Water Bldg.				5.00
		1-Typewriter Stand	Ashe Water Bldg.				100.00
		1-30" x 60" Steelcase Desk	Ashe Water Bldg.				50.00
		2-Sound Scribe Dictating Machines	Ashe Water Bldg.				50.00
				<u>\$12,599.81</u>	<u>\$(11,547.26)</u>	<u>\$1,052.55</u>	<u>\$6,145.50</u>

SCHEDULE OF WAREHOUSE INVENTORY STORED
AT THE ASHE WATER OFFICE IN KERN CITY
AS OF APRIL 1, 1976
SCHEDULE E

<u>Description</u>	<u>Condition</u>	<u>Quantity</u> <u>On</u> <u>Hand</u>	<u>Unit</u> <u>Price</u>	<u>Warehouse</u> <u>Inventory</u> <u>Extended Price</u>
Adaptor for copper x iron 3/4"	New	14	2.35	32.90
Adaptor for copper x iron 1"	New	6	2.85	17.10
Adaptor flare 3/4" x 1" increaser	New	94	4.57	429.58
Adaptor flare 3/4" x 1"	New	50	5.07	253.50
Air Filter for natural gas engine at office	New	4	14.14	56.56
Angle Meter stops 1-1/2" brass	New	9	15.68	141.12
Bolts 7/8" x 4-1/2"	New	156	.67	104.52
Bolts 5/8" x 4"	New	100	.42	42.00
Bushing 4" x 2"	New	1	2.20	2.20
Cap - Galvanized 1"	New	93	1.22	113.46
Cap - Galvanized 2"	New	5	.67	3.35
Cap & Tap ring tight 8"	Used	1	12.00	12.00
Cap & Tap ring tight 10"	New	2	22.50	45.00
Cap & Tap ring tight 10"	Used	2	11.25	22.50
Cap & Tap ring tight 12"	New	2	38.25	76.50
Chlorine HTII	New	70 lbs.	1.77	123.90
Couplings AC - 4"	New	33	1.60	52.80
Couplings - 6"	New	10	2.46	24.60
Couplings - 8"	New	8	4.10	32.80
Couplings - 12"	New	8	5.63	45.04
Couplings - 1-1/2" Galv.	New	5	.84	4.20
Couplings - 3"	New	3	10.42	31.25
Couplings - 10"	New	12		

Description	Condition	Quantity On Hand	Unit Price	Warehouse Inventory	
				Extended Price	Price
Cover Valve Box 6"	New	9	4.94	44.46	
Cover Valve Box 8"	New	3	6.25	18.75	
Cone Alongs 3/4 Ton - 1 Set	Used	1	39.00	39.00	
Dresser Quicktop 4" x 3/4"	New	70	11.03	828.10	
4" x 1"	New	30	12.66	379.80	
6" x 3/4"	New	92	13.78	1,267.76	
6" x 1"	New	37	13.70	509.86	
8" x 3/4"	New	74	14.92	1,104.08	
8" x 1"	New	85	15.76	1,339.60	
10" x 3/4"	New	11	19.35	212.85	
10" x 1"	New	8	19.90	159.20	
12" x 1"	New	15	21.55	323.25	
Elbows - Flanged 8" - 90°	New	2	29.00	58.00	
Elbows Flanged 10" - 22-1/2°	New	1	29.25	29.25	
Elbows Galvanized 1-1/2" - 90°	Used	8	1.60	12.80	
Elbows Galvanized 2" - 90°	New	48	1.82	87.36	
Elbows Ring Tight 6" - 45°	New	1	32.50	32.50	
Elbows Ring Tight "L"s 8" - 22-1/2°	New	5	35.00	175.00	
Elbows, Street 1-1/2"	New	4	1.14	4.56	
Elbows, Street 1-1/2"	New	3	1.14	3.42	
Flanges 4" x 3"	New	4	5.20	20.80	
Flanges Slip On 4" x 4"	New	5	5.20	26.00	
Flanges 4" x 4"	New	2	5.20	10.40	
Flanges 6" x 4"	New	3	6.80	20.40	
Flange Weld on 12"	New	1	37.63	37.63	
Flange Weld on 10"	New	2	12.00	24.00	
Flange 6" Blind	Used	3	8.00	24.00	
Elbow Flanges 12" - 45°	New	2	107.50	215.00	
Elbow Flanges 12" - 90°	New	1	112.00	112.00	
Gate Valves 2"	New	1	4.85	4.85	
Gate Valves 10" OSY	Used	4	103.77	207.54	
Gate Valves 12" OSY	Used	2	125.28	250.56	

Description	Condition	Quantity On Hand	Unit Price	Warehouse Inventory	
				Extended Price	
Gate Valves Flanged 6" x 6" Ring Tight	NEW	1	110.60	110.60	
Gate Valves 8"	NEW	1	196.07	196.07	
Gate Valves 10"	USED	2	200.00	400.00	
Gate Valves 12"	NEW	1	381.44	381.44	
Gate Valves Screw 4"	NEW	1	82.73	82.73	
Gate Valves Flanged 12"	NEW	1	381.44	381.44	
Gate 4" flange	NEW	6	.33	1.98	
Gate 6" flange	NEW	1	.41	.41	
Gate 8" flange	NEW	5	.51	2.55	
Gate 10" flange	NEW	19	.82	15.58	
Gate 12" flange	NEW	10	1.30	13.00	
Gasket Fire Hydrant	NEW	71	-0-	-0-	
Gasket Rubber 4"	NEW	114	.57	64.98	
	NEW	232	.76	176.32	
	NEW	181	.98	177.38	
	NEW	81	1.08	87.48	
	NEW	40	1.30	52.00	
	NEW	21	1.70	35.70	
Water Boxes Concrete - 1"	NEW	2	6.95	13.90	
Water Boxes Concrete - 2"	NEW	7	6.95	48.65	
Water Boxes Concrete - 3"	NEW	9	8.60	77.40	
Water Box Lids, Concrete 5/8" x 3/4" #3	NEW	60	2.25	135.00	
Water Box Lids, Concrete 1"	NEW	35	2.45	85.75	
Water Box Lids, Concrete 1-1/2"	NEW	25	2.75	68.75	
Water Box Lids, Concrete 2"	NEW	11	3.25	35.75	
Water Box Lids, Metal Traffic 5/8" x 3/4" #3	NEW	12	8.84	106.08	
Water Box Lids, Metal Traffic 1"	NEW	1	10.75	10.75	
Water Box Lids, Metal Traffic 2"	NEW	6	14.50	87.00	
Water Boxes Plastic #3	NEW	51	8.60	438.60	
Water Vault 12" Sections	NEW	1	94.00	94.00	

<u>Description</u>	<u>Condition</u>	<u>Quantity</u> On Hand	<u>Unit Price</u>	<u>Warehouse Inventory</u> <u>Extended Price</u>
Meter Water 5/0" x 3/4"	Used	45	3.00	135.00
1" x 1" Need Repair	Used	7	3.00	21.00
1-1/2" x 1-1/2" Need Repair	Used	6	3.00	18.00
2" x 2" Need Repair	Used	9	10.00	90.00
4" compound Junk	Used	1	10.00	10.00
4" Watchdog Compound	Used	1	10.00	10.00
5/8" x 3/4"	Used	1	3.00	3.00
5/8" x 3/4"	How	61	28.00	1,708.00
1" x 1"	How	7	38.00	266.00
2" x 2"	How	2	230.00	460.00
1-1/2" x 1-1/2"	How	3	155.00	465.00
Meter Yokes Ford 3/4"	Used	3	7.00	117.00
Meter Yokes Ford 1"	How	2	12.30	36.90
Meter Yokes Ford 1"	How	2	18.00	36.00
Meter Tail Pieces 3/4"	How	96	1.47	141.12
Meter Tail Pieces 1"	How	10	1.60	16.00
Meter Tail Pieces Outlets 1-1/2"	How	7	1.78	12.46
Meter Tail Pieces Outlets 2"	How	7	2.07	14.49
Meter Tail Pieces Outlets 2"	Used	1	1.25	1.25
Hipples Galvanized 2" x 6"	How	34	1.19	40.46
Hipples Galvanized 2" x 8"	How	5	1.52	7.60
Hipples Galvanized 2" x 12"	How	6	2.60	15.60
Hipples Galvanized 2" x 18"	How	10	3.49	62.82
Hipples Galvanized 4" x 36"	How	5	36.36	181.80
Hipples Galvanized 1-1/2" x 6"	How	4	1.10	4.40
Hipples Galvanized 1-1/2" x 8"	How	1	1.46	1.46
Hipples Swedge 4" x 2"	How	5	1.93	9.65
Hipples Swedge 4" x 2"	How	2	.75	1.50
Nuts for 3/4" Bolts	How	40	.06	6.40
Nuts Flare 3/4", Copper	How	239	.28	66.92
Nuts Flare 1"	How	5	.36	1.80
011 filter for natural gas engine at office	How	24	1.14	27.36

<u>Description</u>	<u>Condition</u>	<u>Quantity</u> <u>On Hand</u>	<u>Unit Price</u>	<u>Warehouse Inventory</u> <u>Extended Price</u>
Paint, high gloss enamel (green) gallons	New	7	4.95	34.65
Paint, high gloss enamel (blue) gallons	New	2	4.95	9.90
Paint "Pioneer" Industrial #290 enamel gallons	New	3	4.95	14.85
Pipe AC 4" 13' joints	New	39'	1.55	60.45
4" 13' joints	New	182'	1.55	282.10
4" 3' 3" joints NOA	New	74' 9"	1.55	116.00
4" 3' 3" joints MEO	New	3' 3"	1.55	5.11
4" 6' 6" joints	New	19-1/2'	1.55	30.22
6" 13' joints	New	533'	2.08	1,100.64
6" 6' joints	New	19-1/2"	2.08	40.56
6" 6' 6" joints NOA	New	6-1/2'	2.08	13.52
6" 3' 3" joints NOA	New	29' 3"	2.26	66.22
8" 13' joints	New	117'	3.07	359.19
8" 6' 6"	New	13'	3.07	39.91
10" 6' 6" joints	New	13'	4.43	57.59
10" 3' 3" joints NOA	New	3' 3"	4.43	14.62
12" 13' joints	New	13'	6.76	87.88
8" 3' 3" NOA joints	New	13'	3.34	43.42
10" 13' joints	New	26'	4.43	115.18
Galvanized 21' x 1-1/2"	New	63'	.68	42.84
21' x 2"	New	63'	1.18	74.34
4" x 36"	New	6'	5.48	32.88
Pipe Dies (Set pf 1/2", 3/4", 1", 1-1/2", 2")	Used	1	37.75	37.75
Plastic Tubing 1" 370 feet	New	2100'	.23	483.00
Plastic Tubing 1-1/2" 115 feet	New	115'	.99	113.85
Plugs 4"	New	3	9.07	27.21
Pump can and base	Used	1	287.00	287.00

<u>Description</u>	<u>Condition</u>	<u>Quantity On Hand</u>	<u>Unit Price</u>	<u>Warehouse Inventory</u>	<u>Extended Price</u>
Reducer AC 6" x 4"	New	1	11.36	11.36	
Reducer AC 12" x 10"	New	4	31.50	126.00	
Reducer Ring Tight 10" x 6"	New	1	17.60	17.60	
Reducer Ring Tight 10" x 8"	New	1	19.63	19.63	
Repair Clamps Full Circle 8"	New	1	20.10	20.10	
Reducer 5/8" x 3/4" 15" flat	New	18	14.32	257.76	
Reducer 5/8" x 1" 10" flat	New	12	14.78	177.36	
Saddles 4" x 3/4"	New	11	11.83	130.13	
4" x 1-1/2"	New	1	12.66	12.66	
4" x 2"	New	1	13.22	13.22	
6" x 3/4"	New	15	13.78	206.70	
6" x 1"	New	1	14.17	14.17	
6" x 1-1/2"	New	1	14.84	14.84	
6" x 2"	New	1	14.84	14.84	
8" x 3/4"	New	7	15.00	105.00	
8" x 1-1/2"	New	11	18.48	203.28	
8" x 2"	Used	1	12.00	12.00	
12" x 4"	New	1	32.50	32.50	
Shovels - Long handled round point	New	1	6.04	6.04	
Shovels - Long handled round point	Used	1	3.50	3.50	
Shovels - Long handled square point	New	3	6.04	18.12	
Shovels - Long handled square point	Used	1	3.50	3.50	
Stainless Steel Liners for 3/4" plastic pipe	New	323	.32	103.36	
Stainless Steel Liners for 1" plastic pipe	New	109	.58	63.22	
Studs 5/8" x 4-1/2"	New	480	.61	292.00	
Sewage Tank 40 gallon w/control	Used	1	25.00	25.00	

<u>Description</u>	<u>Condition</u>	<u>Quantity On Hand</u>	<u>Unit Price</u>	<u>Warehouse Inventory</u>	<u>Extended Price</u>
Tee 8" Ring Tight x 6" Flange	New	2	62.27	124.54	
Tee 8" Ring Tight x 6" Flange	Used	2	46.07	92.14	
Tee 12" Ring Tight x 6" Flange	New	1	120.97	120.97	
Tee 12" Ring Tight 8" Ring Tight	New	1	132.86	132.86	
Tee Ring Tight 8" x 6"	New	1	69.42	69.42	
Tee Ring Tight 6" x 6"	New	1	54.09	54.09	
Tee Ring Tight 10" x 6"	New	3	94.96	284.88	
Tee Ring Tight 10" x 10"	New	1	207.53	207.53	
Tee Ring Tight 12" x 6"	New	1	127.05	127.05	
Tee Ring Tight 12" x 12"	New	2	249.00	498.00	
Tee Ring Tight 45° 6"	New	1	32.50	32.50	
Tubing and Shafting 200 feet of 8" Pump Column	Used	1	10.00	10.00	
Unions Galvanized 2"	New	2	7.40	14.80	
Unions Galvanized 3"	New	1	10.10	10.10	
Unions Copper 1"	New	1	4.70	4.70	
Unions Copper 3/4"	Used	1	2.50	2.50	
Warheads 3" x 2-1/2"	Used	8	15.00	120.00	
Warheads 4" x 2-1/2"	New	4	43.01	172.04	
Warheads 4" x 2-1/2"	Used	3	20.00	60.00	
Well Sounder 500' 2 Wire	Used	1	63.26	63.26	
Y's 1" x 3/4" x 3/4"	New	16	2.70	43.20	

B 05005

BK 006309

<u>Description</u>	<u>Condition</u>	<u>Quantity</u> On Hand	<u>Unit</u> Price	<u>Warehouse</u> Inventory Extended Price
Badger 1" meter register	New	1	38.00	38.00
Water spreader 1"	New	4	3.00	12.00
Glue plastic weld on 711 PVC pipe cement 1/2 pint	New	4	3.48	13.92
3 Oz. pipe threading compound	New	1	2.47	2.47
Water outlet tail pieces - plastic 1" x 18"	New	14	1.84	25.76
Water outlet tail pieces - plastic 3/4" x 18"	New	36	1.47	52.92
Water outlet 1"	New	48	1.70	81.60
Krometer 2-1/2" meter L tower	Used	8	90.00	720.00
Micrometer flow meter 10"	Used	1	45.00	45.00
Pipe type "K" copper 1"	New	1	380.00	380.00
Plugs, galvanized 3/4"	New	85	1.04	88.40
		35	.28	9.80
Total				\$25,934.50

SCHEDULE OF WORK IN PROGRESS INVENTORY STORED
AT THE ASHE WATER OFFICE IN KENN CITY
AS OF APRIL 1, 1976
SCHEDULE F

<u>Description</u>	<u>Condition</u>	<u>Quantity</u>		<u>Unit Price</u>	<u>Work In Progress Extended Inventory</u>
		<u>On Hand</u>	<u>Hand</u>		
Gate Valves, Ring Tight 10"	New	4		274.92	1,099.68
Gate Valves, Ring Tight 8"	New	1		173.00	173.00
Gate Valves, Ring Tight 6"	New	3		125.47	376.41
Gate Valves, Flanged 6"	New	4		125.47	501.89
Tee, Ring Tight 10" x 10"	New	1		207.53	207.53
Tee, Ring Tight 10" x 8"	New	1		88.98	88.98
Tee, 6" Ring Tight x 6" Flanged	New	3		49.78	149.34
Cap, 10" Ring Tight	New	1		22.50	22.50
AC Reducer 10" x 8"	New	1		19.63	19.63
AC Reducer 8" x 6"	New	1		15.85	15.85
AC Reducer 6" x 4"	New	1		11.36	11.36
Valve Caps 6"	New	37		4.94	182.78
Pipe Galvanized 2"	New	42		1.18	49.56
Tee, Ring Tight 8" x 4"	New	1		41.20	41.20
Cr Tee, Ring Tight 8" x 6"	New	2		68.40	136.80
Tee, Ring Tight 8" x 8"	New	1		47.92	47.92
Tee, Ring Tight 8" x 6"	New	1		62.27	62.27
Gate Valves Flanged 6"	New	8		110.00	880.00
Fls 6" Flanged 90°	New	6		27.80	166.80
Gate Valves, Ring Tight 4"	New	5		81.83	409.15
Gate Valves, Ring Tight 6"	New	3		110.00	330.00
Tee, 8" Ring Tight x 6" Flanged	New	7		62.27	435.89
Elbow 8" 90°	New	1		29.00	29.00
Tee, 6" Ring Tight x 6" Flanged	New	1		49.78	49.78
Gate Valves, 8" Ring Tight	New	8		196.07	1,568.56
Gate Valves, 10" Ring Tight	New	4		274.92	1,099.68
Tee, Ring Tight 10" x 8"	New	1		88.98	88.98

Description	Condition	Quantity		Unit	Work In Progress Extended Inventory
		On Hand			
Tee, Ring Tight 10" x 6"	New	1		83.27	83.27
Tee, Ring Tight 10" x 4"	New	2		77.56	155.12
Tab Coupling With Plug 4"	New	6		16.69	100.14
AC Reducers 6" x 4"	New	6		14.40	86.40
AC Reducers 10" x 8"	New	2		19.63	39.26
Water Boxes - Plastic #3	New	136		8.60	1,169.60
Water Boxes - Concrete with Traffic 1.0	New	6		9.20	55.20
Permflex Tubes	New	35#		.96	33.60
Hipples Galvanized 2" x 18"	New	7		2.15	15.05
Hipples Galvanized 2" x 12"	New	4		3.49	13.96
Hipples Galvanized 2" x 6"	New	13		2.60	33.80
E11s 2" Galvanized Street, 90°	New	19		1.19	22.61
E11s 2" Galvanized, 90°	New	27		1.02	49.14
Gate Valves 2"	New	10		1.82	18.20
Angle Meter Stops 2"	New	3		13.25	39.75
Couplings Galvanized 2"	New	3		15.68	47.04
Plugs Galvanized 2"	New	22		.90	21.56
3/4" Flare x 1" Flare Increaser with Flare Nut	New	2		4.54	9.08
3/4" Steel Inserts Plastic Tubing	New	10		4.57	45.70
1" and Gasket Sets for 6" Flange	New	35		.47	16.45
60' Copper Tubing Rolls, 3/4"	New	39 Sets		3.00	140.20
60' Copper Tubing Roll, 1"	New	13		47.77	621.01
I.P. Flange, 6" x 4"	New	3 Rolls		.70 a foot	2.10
	New	1 Roll		1.04	1.04
	New	2		6.80	13.60

Total

\$11,005.41

BK 006311

INVENTORY OF TOOLS AT ASHE WATER'S PLANT #1
 IN KERN CITY AS OF APRIL 1, 1976
 SCHEDULE G

<u>Description</u>	<u>Condition</u>	<u>Quantity On Hand</u>	<u>Estimated Value</u>
Crescent Tongs-0"	Used	1	150.95
10"	Used	1	193.60
12"	Used	1	236.50
14"	Used	1	297.00
Electric Motor Property #006641 HP	Used	1	75.00
Property #006642 HP	Used	1	95.00
1 HP	Used	1	25.00
Drill, Power Craft 1/2"	Used	1	25.00
Pipe Bender	Used	1	75.05
Reamer, Rigid #2	Used	1	37.05
Wrench, Pipe 40"	Used	1	87.15
Pipe Wipe, Portable	New	1	109.09
Tapping Machine E-4	Used	1	45.00
Tapping Machine D-4	Used	1	75.00
Tapping Sleeve 10" x 8"	New	1	125.00
Tapping Valve 8"	New	1	225.00
Total Estimated Value			<u>\$1,890.70</u>

SCHEDULE OF WAREHOUSE INVENTORY STORED AT ASHE WATER'S
 WILSON ROAD LOCATION ON APRIL 1, 1976

SCHEDULE H

Description	Condition	Quantity		Unit Price	Warehouse Inventory Extended Price
		On Hand			
Caps, Cast Iron - 6"	New	1		4.50	4.50
	New	1		12.00	12.00
	New	1 Y		15.00	15.00
Castings, Steel	New	19"		6.00	114.00
	Used	83"		6.00	498.00
	Used	21"		6.00	126.00
Collars, AC - 4"	New	24		1.60	38.40
	New	2		5.63	11.26
	New	3		7.26	21.78
	New	2		8.91	17.82
Coupling, tapped w/plug 4"	New	4		16.69	66.76
Ells, galvanized 90° 2"	New	6		1.13	6.78
	New	11		1.39	15.29
	New	3		27.00	81.00
Gaskets, Rubber 4"	New	41		.57	23.37
	New	2		.76	1.52
	New	154		.98	150.92
	New	80		1.08	86.40
	New	43		1.30	55.90
Flanged 6"	New	40		1.70	68.00
	New	8		.41	3.28

Description	Condition	Quantity		Unit Price	Warehouse Inventory Extended Price
		On Hand	Hand		
Inserts, stainless steel, for 1" plastic pipe	New	96		.58	55.68
Meter boxes, concrete #3	New	3		8.60	25.80
Meter boxes, plastic #3	New	1		8.60	8.60
Ripples, galvanized 2" x 2" all thread	New	6		.59	3.54
	New	5		1.19	5.95
	New	3		2.60	7.80
	New	1		3.49	3.49
Pipe AC 4" x 3' 3" (2 joints)	New	6-1/2'		1.55	10.08
Pipe AC 4" x 6' 6" (1 joint)	New	6-1/2'		1.55	10.08
4" x 13" (25 joints)	New	325'		1.55	503.75
6" x 6' 6" (2 joints)	New	13'		2.08	27.04
6" x 3' 3" MDA (3 joints)	New	9-3/4"		2.08	20.28
6" x 3' 3" MEO (3 joints)	New	9-3/4"		2.08	20.28
8" x 3' 3" MDA (1 joint)	New	3' 3"		3.07	10.13
10" x 13" (48 joints)	New	624'		4.43	2,764.32
12" x 13" (4 joints)	New	52'		6.76	351.52
12" x 3' 3" (6 joints)	New	19-1/2"		6.76	131.82
14" x 6' 6" MDA (1 joint)	New	6-1/2'		9.09	59.08
14" x 3' 3" MEO (1 joint)	New	3' 3"		9.09	29.99
14" x 13" (30 joints)	New	390'		9.09	3,545.10
Pipe, 6" x 13' Class 100 Valve Stands (9 joints)	New	117'		2.08	243.36
Tees, 6" R.T. x 6" Flanged	New	2		49.78	99.56
6" R.T. x 6" Flanged	Used	1		35.00	35.00
8" R.T. x 6" Flanged	New	1		62.27	62.27
8" R.T. x 6"	New	1		44.91	44.91
10" R.T. x 6"	New	2		83.27	166.54
10" R.T. x 8"	New	2.		88.98	177.96
Valve, gate 4" Flanged	New	1		81.83	81.83
Valve Box Covers	New	19		4.94	93.86
Total					93,86

SCHEDULE OF SUPPLIES AND MISCELLANEOUS ITEMS STORED
 AT THE KERN ISLAND CANAL OFFICE
 ON OAK STREET AS APRIL 1, 1976
 SCHEDULE 1

<u>Description</u>	<u>Condition</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Bombs to Kill Ground Squirrels	New	169	.15	\$ 25.35
Need Killer Manufactured by Dreadsida Chemical Company (29-5 Gallon Cans)	New	145 Gals.	3.90/gal.	565.50
Amtrole	New	15 Gals.	11.55/gal.	173.25
Pipe, Metal Culvert 18" 20 Foot Lengths	New	4-1/2 pipes	88.00	396.00
Spreader				
Downon (50 lb. bags)	New	20 Gals.	6.54	130.80
Copper Sulfate	New	120 lbs.	1.22	146.40
Bentonite (50 lb. bags)	New	325 lbs.	.48	156.00
Magnacide Cylinder	New	550 lbs.	2.80 - 50#	30.80
	New	1,570 lbs.	1.20	1,884.00
2" x 6" - 57-1/2" Weir Boards	Used	1,000*	1.00	1,000.00
3" x 6" - 57-1/2" Redwood	Used	25*	1.50	37.50
2" x 4" - 4' Weir Boards	Used	50*	1.00	50.00
Bentonite 50# Bags	New	270*	2.00/Bg.	540.00
2" x 6" - 16' Weir Boards	New	25*	3.43	85.75
2" x 6" - 16' Weir Boards	New	350*	3.43	1,200.50
Ban Couplers 20"	New	3*	12.00	36.00
Corrugated Culvert Pipe 20" 20' Long	New	3*	130.00	390.00
Corrugated Culvert Pipe 20" 10' Long	New	1*	65.00	65.00

Description	Condition	Quantity		Unit Price	Warehouse Inventory Extended Price
		On Hand			
16' x 8' Wall Keir Pre Cast Concrete	New	1*		750.00	\$ 750.00
2" x 6" - 16' Keir Boards	New	100*		3.43	343.00
Waterman Delivery Gate	New	1*		250.00	250.00
Delivery Gate Metal Take Out Box w/Gate and Pipe	New	1*		900.00	900.00
Metal Duck Bill Keir with Pipe	New	1*		800.00	800.00
9' Post Keir	New	1		750.00	775.00
Control Structure	New	1*		300.00	300.00
Misc. Length Hook	New	100*		1.00	100.00
Shovels	New	35*		3.50	105.00
Weed Rakes	New	12*		5.00	50.00
					<u>\$10,770.97</u>

*These items were in the yard at the date of the inventory.
They were not classified as warehouse stock as they had
been charged to AFE's.

BK 006317

EXHIBIT E

Retirement Schedule

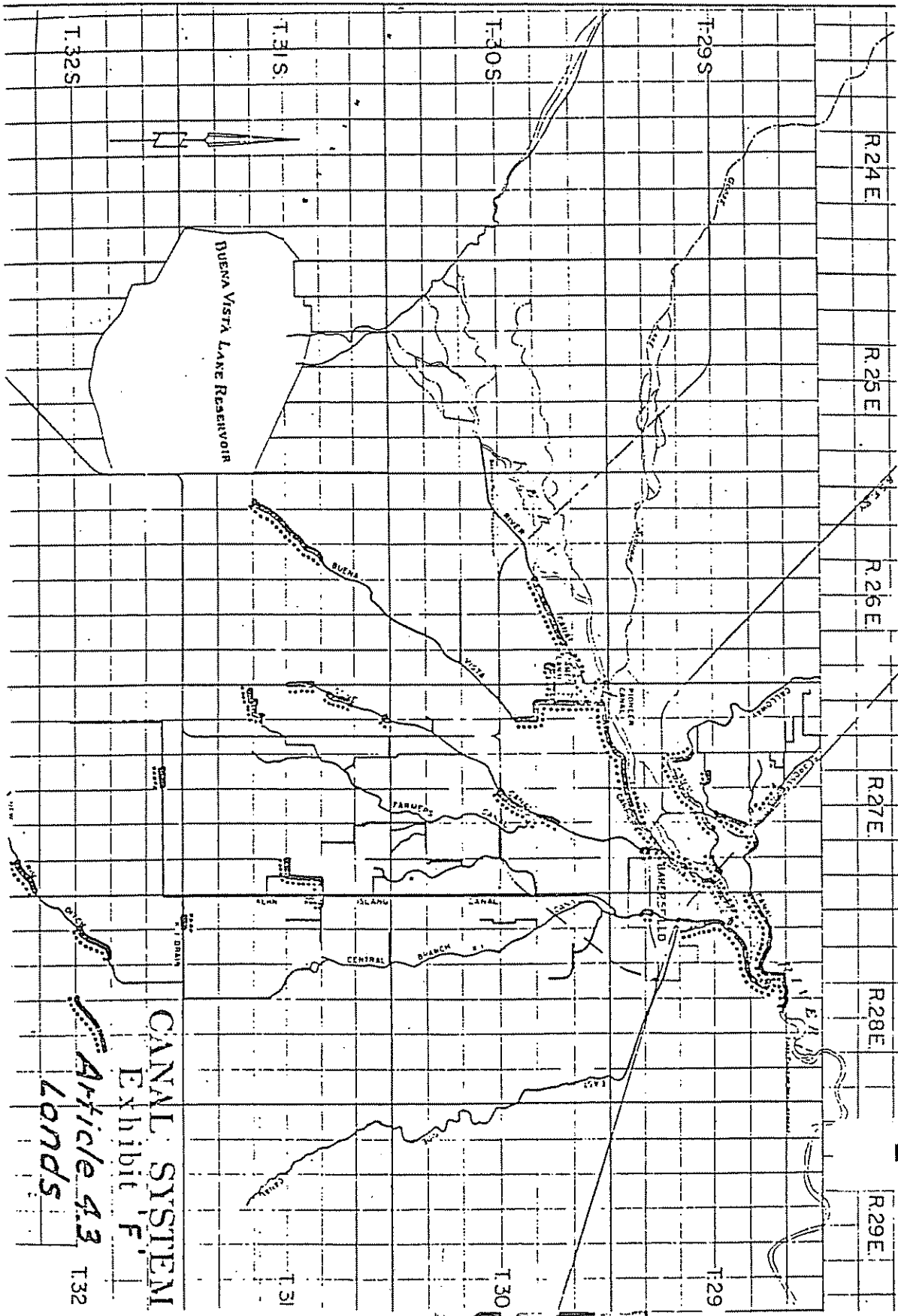
Annual bond service requirements on the North Kern Water Storage District 1965 Bonds are shown on Table 1, below. Also shown are the estimated amount of assessment calls required to meet bond service based on an assumed effective delinquency rate of three per cent and the payment made to the District by the Kern County Canal and Water Company of fifty per cent of the annual cost of bond service as provided in the contract between the District and the Kern County Canal and Water Company. (See page 10.)

Table 1
BOND SERVICE AND ESTIMATED ASSESSMENT CALLS
NORTH KERN WATER STORAGE DISTRICT 1965 BONDS

Year Ending January 1	Principal Payment	Coupon Rate (Per Cent)	Annual Interest Cost	Total Bond Service	Available Funds ⁽¹⁾	Net to Be Raised by District	Plus 1.5% Delinquency Allowance	Estimated Total Call
1966	\$ 35,000	3 3/4	\$ 88,810	\$ 123,810	\$ 61,905	\$ 61,905	\$ 9,290	\$ 71,195
1967	40,000	3 3/4	87,500	127,500	71,180	56,320	8,450	64,770
1968	40,000	3 3/4	86,000	126,000	69,760	56,240	8,440	64,680
1969	45,000	3 3/4	84,500	129,500	71,500	58,000	8,700	66,700
1970	45,000	3 3/4	82,810	127,810	70,865	56,945	8,540	65,485
1971	50,000	3 3/4	81,130	131,130	72,395	58,735	8,810	67,545
1972	50,000	3 3/4	79,250	129,250	71,675	57,575	8,640	66,215
1973	55,000	3 3/4	77,380	132,380	73,100	59,280	8,890	68,170
1974	55,000	3 3/4	75,310	130,310	72,255	58,045	8,710	66,755
1975	60,000	3 3/4	73,250	133,250	73,595	59,655	8,950	68,605
1976	60,000	4	71,000	131,000	72,660	58,340	8,750	67,090
1977	65,000	4	68,600	133,600	73,500	59,800	8,970	68,770
1978	65,000	4	66,000	131,000	72,650	58,320	8,750	67,070
1979	70,000	4	63,400	133,400	73,700	59,700	8,950	68,650
1980	70,000	4	60,600	130,600	72,470	58,130	8,720	66,850
1981	75,000	4	57,800	132,800	73,350	59,420	8,910	68,330
1982	75,000	4	54,800	129,800	72,030	57,770	8,670	66,440
1983	80,000	4	51,800	131,800	72,840	58,960	8,840	67,800
1984	80,000	4	48,600	128,600	71,370	57,230	8,550	65,780
1985	85,000	4	45,400	130,400	72,060	58,340	8,750	67,090
1986	90,000	4	42,000	132,000	73,600	59,000	8,850	67,850
1987	90,000	4	38,400	128,400	71,250	57,120	8,570	65,690
1988	95,000	4	34,800	129,800	71,760	58,040	8,710	66,750
1989	100,000	4	31,000	131,000	72,470	58,530	8,750	67,280
1990	105,000	4	27,000	132,000	73,020	58,950	8,850	67,800
1991	105,000	4	22,800	127,800	70,980	56,820	8,520	65,340
1992	110,000	4	18,600	128,600	71,120	57,480	8,620	66,100
1993	115,000	4	14,200	129,200	71,560	57,700	8,650	66,350
1994	120,000	4	9,600	129,600	71,730	57,870	8,680	66,550
1995	120,000	4	4,800	124,800	69,340	55,460	8,320 ⁽²⁾	63,780
TOTALS	\$2,250,000		\$1,647,140	\$3,897,140	\$2,151,450	\$1,745,710	\$261,850	\$2,007,560

⁽¹⁾ Includes: Payment made to the District by the Kern County Canal and Water Company equal to one-half of the bond service; and, 50 per cent of prior years' fifteen per cent delinquency allowance, thus assuming an actual three per cent delinquency.

⁽²⁾ Refunded to the property owners of the designated and assessed lands after all the bonds have been retired.



CANAL SYSTEM
 Exhibit F.
 Article 4.3
 Lands
 T32

BK 006319

B 05014

Proof of OCTOBER 27, 1975

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7352

GALLEY 1

KERN RIVER CANAL LEASE

This Kern River Canal Lease, dated as of December 15, 1975, between CITY OF BAKERSFIELD WATER FACILITIES CORPORATION (herein called the "Corporation"), as lessor, and the CITY OF BAKERSFIELD, a municipal corporation organized and existing under and by virtue of its charter and the laws of the State of California (herein called the "City"), as lessee;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

SECTION 1. *Definitions.*

Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this lease, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

The term "Bonds" means the City of Bakersfield Water Facilities Corporation 1975 Leasehold Mortgage Bonds issued by the Corporation and authorized under and secured by the Indenture, and any other indebtedness incurred by the Corporation to finance the acquisition of the Demised Premises.

The term "Demised Premises" means that certain real property situated in the County of Kern, State of California, described in Exhibit A attached hereto and made a part hereof (subject, however, to any conditions or reservations of record or known to the City), together with all improvements and water supply and transmission facilities located thereon, including canal facilities, pipelines, pumping facilities, diversion facilities and related facilities, but excluding water rights and entitlements.

The term "Indenture" means the indenture, dated as of December 15, 1975, between the Corporation and the Trustee, as originally executed or as it may from time to time be supplemented or amended by any supplemental indenture entered into pursuant to the provisions thereof.

The term "Trustee" means the trustee under and as defined by the Indenture.

SECTION 2. *Term; Commencement of Rental.*

The Corporation hereby leases to the City and the City hereby hires from the Corporation, on the terms and conditions hereinafter set forth, the Demised Premises.

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of Kern

EXHIBIT G

B 05015

BK 006320

Proof of OCTOBER 31, 1975

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7352

GALLEY 2

County, State of California, or on August 1, 1976, whichever is earlier, and shall end on July 31, 2006, unless such term is extended or sooner terminated as hereinafter provided. The City will take possession of the Demised Premises upon commencement of this lease, and the first payment of rental shall be due on August 1, 1976, as provided in section 3 hereof.

If on July 31, 2006, the Bonds shall not be fully paid and retired, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after all Bonds shall be fully paid and retired, except that the term of this lease shall in no event be extended beyond July 31, 2011. If prior to July 31, 2006 all Bonds shall be fully paid and retired, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the City to the Corporation, whichever is earlier.

SECTION 3. *Rental.*

The City agrees to pay to the Corporation, its successors or assigns, as rental for the use and occupancy of the Demised Premises, the following amounts at the times and in the manner set forth herein (but subject to the provisions of sections 2, 12, 20 and 24 hereof):

(a) *Base Rental.* The City shall pay to the Corporation as a base rental (herein called the "Base Rental"), semiannually, the amount of One Hundred Forty Thousand Dollars (\$140,000) on August 1, 1976 and on each February 1 and August 1 thereafter to and including February 1, 2006, or, if the term of this lease shall have been extended pursuant to section 2 hereof, continuing to and including the date of termination of this lease. Each semiannual payment of Base Rental shall be for the use of the Demised Premises for the six-month period commencing on the first day of the month in which such rental is due.

(b) *Additional Rental.* The City shall also pay to the Corporation, as rental hereunder in addition to the foregoing Base Rental (herein called the "Additional Rental"), such amounts in each year as shall be required by the Corporation for the payment of the following:

(1) All taxes and assessments of any type or nature charged to the Corporation or the Trustee affecting the Demised Premises or the respective interests or estates of the City or the Corporation or the Trustee therein, or affecting the amount available to the Corporation from rentals

B 05016

BK 006321

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7532

GALLEY 3

received hereunder for the retirement of the Bonds (including taxes or assessments assessed or levied by any governmental agency or district having power to levy taxes or assessments); and

(2) All administrative costs of the Corporation related to the Demised Premises and the Bonds, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Corporation under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Indenture.

Such Additional Rental shall be billed to the City by the Corporation or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Corporation or by the Trustee on behalf of the Corporation, for one or more of the items above described, or that such amount is then payable by the Corporation or the Trustee for such items. Following commencement of the rental due hereunder, amounts so billed shall be paid by the City within ten (10) days after receipt of the bill by the City.

Such payments of Base Rental and Additional Rental for each rental payment period during the term of this lease shall constitute the total rental for said rental payment period, and shall be paid by the City in each rental payment period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Demised Premises during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental represents the fair rental value of the Demised Premises. In making such determination, consideration has been given to costs of acquisition and financing of the Demised Premises, other obligations of the parties under this lease, the uses and purposes which may be served by the Demised Premises and the benefits therefrom which will accrue to the City and the general public.

Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation at the principal office of the Trustee in Los Angeles, California, or such other place as the Corporation shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall bear interest at the rate of eight per cent (8%) per annum from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Corporation and the City, the City shall make all rental payments

BK 006322

B 05017

BAKERSFIELD—6357

Bowne of San Francisco, Inc. 951-7552

GALLEY 4—

when due and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination.

The City covenants to take such action as may be necessary to include all such rental payments due hereunder in its annual budget and to make the necessary annual appropriations for all such rental payments. The City will furnish to the Corporation and the Trustee copies of each proposed and final budget of the City within ten (10) days after the filing or adoption thereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this lease
| agreed to be carried out and performed by the City.

SECTION 4. *Compliance with Agreement.*

The City agrees to comply with all of the terms, covenants and conditions to be performed or complied with by it pursuant to that Agreement, dated 1975, between the City, the Corporation, Tenneco West, Inc., Kern Island Water Company, and Kern River Canal and Irrigating Company.

SECTION 5. *Maintenance and Utilities.*

Throughout the term of this lease, as part of the consideration for the rental of the Demised Premises, all maintenance and repair of the Demised Premises shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Demised Premises, which shall include without limitation janitor service, power, gas, telephone, light, heating, water, security service, garbage and refuse removal and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Demised Premises resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the rentals herein provided, the Corporation agrees to provide only the Demised Premises. The City waives the benefits of subsections 1 and 2 of section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of this lease.

BK 006323

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BAKERSFIELD—8537

Bowne of San Francisco, Inc., 991-7582

GALLEY 5 —

SECTION 6. Changes to Demised Premises.

The City shall have the right during the term of this lease to make alterations or improvements or to attach fixtures, structures or signs to the Demised Premises if said alterations, improvements, fixtures, structures and signs are necessary or beneficial for the use of the Demised Premises by the City.

Upon termination of this lease, the City may remove any fixture or sign added by the City, but such removal shall be accomplished so as to leave the Demised Premises, except for ordinary wear and tear, in substantially the same condition as it was in before the fixture or sign was attached.

SECTION 7. Fire, Extended Coverage and Earthquake Insurance.

The City shall procure or cause to be procured and maintain or cause to be maintained throughout the term of this lease, insurance against loss or damage to any buildings constituting any part of the Demised Premises by fire and lightning, with extended coverage, vandalism and malicious mischief insurance, and earthquake insurance (but as to such earthquake insurance only if such insurance is available on the open market from reputable insurance companies). Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all buildings constituting any part of the Demised Premises, excluding the cost of excavations, of grading and filling, and of the land (except that such earthquake insurance may be subject to a deductible clause of not to exceed either (a) ten per cent of said replacement cost for any one loss (b) or the lesser of 100,000 or the amount in any Reserve Fund established under the Indenture which is in excess of one-half (1/2) of Maximum Annual Debt Service (as such term is defined in the Indenture), and except that such other insurance may be subject to deductible clauses for any one loss of not to exceed the lesser of \$100,000 or the amount in any said Reserve Fund which is in excess of one-half (1/2) of said Maximum Annual Debt Service), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys in the Reserve Fund created under the Indenture and available for the purpose), in the event of total or partial loss, to enable the Corporation either to retire all Bonds then outstanding or to restore such buildings to the condition existing before such loss.

SECTION 8. Liability Insurance.

The City shall procure, and maintain throughout the term of this lease, a standard comprehensive general liability (including automobile liability) insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and

BK 006324

B_05019

employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Demised Premises, with minimum liability limits of \$5,000,000 for personal injury or death of each person and \$10,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$10,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the City.

SECTION 9. Rental Interruption or Use and Occupancy Insurance.

The City shall procure, and maintain throughout the term of this lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of each building constituting any part of the Demised Premises as the result of any of the hazards covered by the insurance required by section 7 hereof, in an amount sufficient to pay the part of the total rent hereunder attributable to said building (determined by reference to the proportion which the acquisition cost of such building bears to the acquisition cost of the Demised Premises) for a period of at least the time originally allowed for construction of such building plus three (3) months, except that such insurance may be subject to a deductible clause of not to exceed the aggregate total rental attributable to buildings and payable during the first thirty (30) days of any loss and except that such insurance need be maintained as to the peril of earthquake only if such insurance is available on the open market from reputable insurance companies.

SECTION 10. Insurance Proceeds; Form of Policies.

All policies of insurance required by sections 7 and 9 hereof shall provide that all proceeds thereunder shall be payable to the Trustee pursuant to a lender's loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in the Indenture. All policies of insurance required by this lease shall be in form satisfactory to the Trustee and shall provide that the Trustee shall be given thirty (30) days' notice of each ex-

BAKERSFIELD—6357

Bowme of San Francisco, Inc., 981-7882

GALLEY 7—

piration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The City shall pay when due the premiums for all insurance policies required by this lease, and shall promptly furnish evidence of such payments to the Corporation and the Trustee.

SECTION 11. *Default.*

(a) If the City shall fail to pay any rental payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence of this lease, or the City shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the City, or upon the happening of any of the events specified in subsection (b) of this section, the City shall be deemed to be in default hereunder and it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this lease. Upon any such default, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this lease in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Demised Premises as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Demised Premises and remove all persons in possession thereof and all personal property whatsoever situated upon the Demised Premises and place such personal property in storage in any warehouse or other suitable place in the County of Kern, State of California. In the event of such termination, the City agrees to surrender immediately possession of the Demised Premises, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Demised Premises and removal and storage of such property by the Corporation or its duly authorized agents, in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Demised Premises given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Demised Premises nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this lease shall of itself operate to

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BAKERSFIELD—6357

Bowne of San Francisco, Inc., 991-7882

GALLEY 8—

terminate this lease, and no termination of this lease on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the City of the election on the part of the Corporation to terminate this lease. The City covenants and agrees that no surrender of the Demised Premises or of the remainder of the term hereof or any termination of this lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(2) Without terminating this lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the City or (ii) to exercise any and all rights of entry and re-entry upon the Demised Premises. In the event the Corporation does not elect to terminate this lease in the manner provided for in subparagraph (1) hereof, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Demised Premises is not re-let, to pay the full amount of the rent to the end of the term of this lease or, in the event that the Demised Premises is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Demised Premises. Should the Corporation elect to re-enter as herein provided, the City hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the City to re-let the Demised Premises, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Demised Premises and to place such personal property in storage in any warehouse or other suitable place in the County of Kern, State of California, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Demised Premises and

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removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this lease constitute full and sufficient notice of the right of the Corporation to re-let the Demised Premises in the event of such re-entry without effecting a surrender of this lease, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this lease shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The City further waives the right to any rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Demised Premises or any part thereof. The City further agrees to pay to the Corporation the cost of any alterations or additions to the Demised Premises or any part thereof necessary to place the Demised Premises or any part thereof in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Demised Premises as herein provided and all claims for damages that may result from the destruction of or injury to the Demised Premises and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Demised Premises.

Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. The term "re-let" or "re-letting" as used in this section shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Demised Premises. If any statute or rule of the law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this lease, the City agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

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Bowne of San Francisco, Inc., 931-7852

GALLEY 10 —

(b) If (1) the City's interest in this lease or any part thereof be assigned or transferred without the written consent of the Corporation, either voluntarily or by operation of law or otherwise, or if (2) the City or any assignee shall file any petition or institute any proceeding under the Bankruptcy Act, either as such Act now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the City's debts or obligations, or offers to the City's creditors to effect a composition or extension of time to pay the City's debts or asks, seeks or prays for a reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or for any other similar relief, or if any such petition or if any such proceedings of the same or similar kind or character be filed or be instituted or taken against the City, or if a receiver of the business or of the property or assets of the City shall be appointed by any court, except a receiver appointed at the instance or request of the Corporation, or if the City shall make a general or any assignment for the benefit of the City's creditors, or if (3) the City shall abandon or vacate any part of the Demised Premises (except pursuant to section 24 hereof), then the City shall be deemed to be in default hereunder.

(c) The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

SECTION 12. Eminent Domain.

(a) If the whole of the Demised Premises shall be taken permanently under the power of eminent domain, the term of this lease shall cease as of the day possession shall be so taken. If less than the whole of the Demised Premises shall be taken permanently, or if the whole of the Demised Premises shall be taken temporarily, under the power of eminent domain, (1) this lease shall continue in

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7532

GALLEY 11—

full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of rent to be agreed upon by the City and the Corporation, but in no event shall the rental be less than the amount required for the retirement of the Bonds and the payment of the interest thereon as such Bonds and interest become due.

(b) So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking or damaging the Demised Premises in whole or in part shall be paid to the Trustee and applied as provided in the Indenture. Any such award made after all of the Bonds have been fully paid and retired shall be paid to the Corporation and the City as their respective interests may appear.

SECTION 13. *Surrender of Premises.*

Upon the termination or expiration of this lease (other than as provided in section 11 hereof), the City shall surrender to the Corporation the Demised Premises, together with any improvements thereon (except as provided in section 24 hereof), in good order and condition and in a state of repair that is consistent with prudent use and conscientious maintenance, except for reasonable wear and tear.

SECTION 14. *Right of Entry.*

The Corporation and its assignees shall have the right to enter the Demised Premises during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's rights or obligations under this lease, and (c) for all other lawful purposes.

SECTION 15. *Liens.*

In the event the City shall at any time during the term of this lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Demised Premises, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Demised Premises and which may be secured by any mechanic's, materialman's or other lien against the Demised Premises or the Corporation's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien, it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

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Bowne of San Francisco, Inc., 981-7552

GALLEY 12—

SECTION 16. *Quiet Enjoyment.*

The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this lease, peaceably and quietly, have, hold and enjoy the Demised Premises, without suit, trouble or hindrance from the Corporation.

SECTION 17. *Corporation Not Liable.*

The Corporation and its members, directors, officers, agents and employees and the Trustee shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Demised Premises. The City shall indemnify and hold the Corporation and its members, directors, officers, agents and employees and the Trustee harmless from, and defend each of them against, any and all claims, liens and judgments for death of or injury to any person or damage to property whatsoever occurring in, on or about the Demised Premises.

SECTION 18. *Assignment.*

Neither this lease nor any interest of the City hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the City by voluntary act or by operation of law or otherwise, except with the prior written consent of the Corporation, which shall not be unreasonably withheld.

SECTION 19. *Title to Property.*

Title to the Demised Premises and all structural additions thereto shall remain in the Corporation during the term of this lease. Title to all fixtures and signs added to the Demised Premises pursuant to section 6 of this lease and to all personal property placed in or about the Demised Premises by the City shall remain in the City.

SECTION 20. *Abatement of Rental.*

The rental shall be abated proportionately, during any period in which by reason of any damage or destruction (other than by condemnation which is hereinbefore provided for) there is substantial interference with the use and occupancy of the Demised Premises by the City, in the proportion which the initial cost of that portion of the Demised Premises rendered unusable bears to the initial cost of the whole of the Demised Premises. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this lease shall continue in full force and effect and the City waives any right to terminate this lease by virtue of any such damage or destruction.

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Bowne of San Francisco, Inc., 981-7882

GALLEY 13—

SECTION 21. Law Governing.

This lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 22. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the Corporation, addressed to the Corporation in care of Fritz R. Stradling, Rutan & Tucker, 401 Civic Center Drive West, P.O. Box 1976, Santa Ana, California 92702, or, if to the City, addressed to the City in care of the City Clerk, City Hall, 1501 Truxton Avenue, Bakersfield, California 93301 with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 23. Validity and Severability.

If for any reason this lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Corporation or by the City, or if for any reason it is held by such a court that any of the covenants and conditions of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the City semiannually in consideration of the right of the City to possess, occupy and use the Demised Premises, and all of the rental and other terms, provisions and conditions of this lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 24. Purpose of Lease; Option to Purchase; Personal Property.

The City covenants that during the term of this lease, except as hereinafter provided, (a) it will use, or cause the use of, the Demised Premises solely for water supply distribution purposes and for the purposes for which the facilities of the Demised Premises are customarily used, and (b) it will not vacate or abandon the Demised Premises or any part thereof.

The City shall have the option to purchase the Corporation's interest in any part of the Demised Premises upon payment of an option price equal to the aggregate amount for the entire remaining term of this lease of the part of the total rent hereunder attributable to such part of the Demised Premises (determined by reference to the proportion which the value of such part of the Demised Prem-

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7882

GALLEY 14 —

ises bears to the value of all of the Demised Premises). Any such payment shall be made to the Trustee and shall be treated as Revenues (as such term is defined in the Indenture), and shall be applied by the Trustee to redeem Bonds on the earliest date when the Bonds are subject to redemption pursuant to the provisions of the Indenture. Upon the making of such payment to the Trustee, (a) each semiannual installment of rent thereafter payable under this lease shall be reduced by the amount thereof attributable to such part of the Demised Premises and theretofore paid pursuant to this section, (b) sections 20 and 24 of this lease shall not thereafter be applicable to such part of the Demised Premises, (c) the insurance required by sections 7 and 9 of this lease need not be maintained as to such part of the Demised Premises, and (d) title to such part of the Demised Premises shall vest in the City and the term of this lease shall end as to such portion of the Demised Premises.

The City, in its discretion, may request the Corporation to sell or exchange any personal property which may at any time constitute a part of the Demised Premises, and to release said personal property from this lease, if (a) in the opinion of the City the property so sold or exchanged is no longer required or useful in connection with the operation of the Demised Premises, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Corporation, exceed the amount of \$50,000, the Corporation shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Corporation) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Demised Premises. In the event of any such sale, the full amount of the money consideration received for the personal property so sold and released shall be paid to the Corporation or, if the Indenture so requires, to the Trustee. Any money so paid to the Corporation or the Trustee may, so long as the City is not in default under any of the provisions of this lease, be used upon the written request of the City to purchase personal property, which property shall become a part of the Demised Premises leased hereunder. To the extent required by the Indenture, the Trustee may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this lease or before releasing for the purchase of new personal property money received by it for personal property so sold. The Corporation may make any such sale or exchange as it may deem proper, subject to the terms of the Indenture.

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BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7882

GALLEY 15—

SECTION 25. *Waiver.*

Failure of the Corporation to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this lease be construed to waive or to lessen the right of the Corporation to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this lease.

SECTION 26. *Net Lease.*

This lease shall be deemed and construed to be a "net lease" and the City hereby agrees that the rentals provided for herein shall be an absolute net return to the Corporation, free and clear of any expenses, charges or setoffs whatsoever.

SECTION 27. *Headings.*

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 28. *Execution.*

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the Corporation and the City, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the City.

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Proof of OCTOBER 31, 1975

BAKERSFIELD—6357

Bowne of San Francisco, Inc., 981-7882

GALLEY 16—

IN WITNESS WHEREOF, the Corporation and the City have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF BAKERSFIELD WATER
FACILITIES CORPORATION,
LESSOR

By _____

President

[Seal]

ATTEST:

Secretary

CITY OF BAKERSFIELD,
LESSEE

By _____

Mayor

[Seal]

ATTEST:

City Clerk

Approved as to form:

City Attorney

BK 006335

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Proof of OCTOBER 31, 1975

BAKERSFIELD—5357

Bowme of San Francisco, Inc., 981-7382

GALLEY 17 —

State of California }
County of Kern } ss.

On this day of in the year 197..., before me
....., a notary public in and for the
State of California, duly commissioned and sworn, personally ap-
peared, known to me to be the President,
and, known to me to be the Secretary, respec-
tively, of CITY OF BAKERSFIELD WATER FACILITIES CORPORATION, the
corporation that executed the within instrument, and known to me
to be the persons who executed the within instrument on behalf of
said corporation therein named, and acknowledged to me that such
corporation executed the within instrument pursuant to its by-laws
or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and
affixed my official seal in the County of Kern on the day and year
in this certificate first above written.

*Notary Public in and for the
State of California*

[Notarial Seal]

My commission expires:

State of California }
County of Kern } ss.

On this day of in the year 197..... before
me, a notary public in and for the
State of California, duly commissioned and sworn, personally ap-
peared, known to me to be the Mayor, and
....., known to me to be the City Clerk, respectively,
of the CITY OF BAKERSFIELD, the municipal corporation that executed
the within instrument, and known to me to be the persons who exe-
cuted the within instrument on behalf of said municipal corporation
therein named, and acknowledged to me that such municipal corpora-
tion executed the within instrument pursuant to a resolution of the
City Council of the City of Bakersfield.

IN WITNESS WHEREOF, I have hereunto subscribed my name and
affixed my official seal in the County of Kern on the day and year
in this certificate first above written.

*Notary Public in and for the
State of California*

[Notarial Seal]

My commission expires:

BK 006336

B 05031

ALLEN ISLAND WATER COMPANY
ASHLEIGH WATER SERVICE AREA

REFUNDABLE ADVANCES FOR CONSTRUCTION

Exh. B. f. A

TENNECO REALTY DEVELOPMENT CORPORATION - STOCKDALE

Tract	Contract Number	Contract Date	Original Amount	Adjustments	Contract Amount	Balance 12-31-75	Balance 2-29-76
2894	1	7-1-64	\$ 6,587.95	\$ 58.17	\$ 6,646.12	\$ 1,908.06	\$ 1,908.06
2560	2	7-25-61	74,733.13		74,733.13	34,321.51	34,321.51
2963	4	4-12-66	13,729.62	(309.13)	13,420.49	11,455.73	11,455.73
2764	5	2-24-67	5,733.22		5,733.22	3,592.52	3,256.86
2888	6	6-25-65	4,965.00	(627.77)	4,337.23	2,617.84	2,617.84
2763	8	6-25-65	5,505.00		5,505.00	724.10	724.10
2548	9	8-14-61	28,628.13		28,628.13	928.91	928.91
2562	10	7-13-62	30,979.45		30,979.45	13,108.06	13,108.06
Eddy & Painter Site	11	12-1-65	1,300.00		1,300.00	1,081.58	1,081.58
Belle Terrace-New Stone	12	4-12-66	8,034.91	445.73	8,480.64	5,565.25	5,565.25
2980	13	3-9-66	10,527.12	671.98	11,199.10	5,013.03	5,013.03
2886	15	8-1-66	4,617.82	(263.66)	4,354.16	918.65	918.65
2523	17	7-25-61	17,042.80		17,042.80	8,078.44	8,078.44
3039	18	1-3-67	6,001.22		6,001.22	3,722.04	3,187.43
West of 2523	19	10-31-66	2,812.63		2,812.63	2,687.23	2,687.23
2622 - 2627	20	5-15-62	1,551.57		1,551.57	-0-	-0-
3124	21	11-22-68	7,813.95	(458.90)	7,355.05	4,947.26	4,947.26
3025	22	10-3-67	10,765.86		10,765.86	4,830.06	4,830.06
3031	23	11-7-67	11,875.51	1,371.34	13,246.85	5,768.79	5,768.79
3129	25	11-6-67	6,274.75		6,274.75	4,001.74	4,001.74
3121	26	5-10-68	13,014.05		13,014.05	8,498.78	8,498.78
3123	27	2-26-68	13,770.05		13,770.05	8,681.99	8,681.99
3160	28	6-6-68	5,848.79		5,848.79	4,035.85	4,035.85
3244	29	7-16-69	29,150.61		29,150.61	22,680.14	22,680.14
3316	30	11-28-69	23,345.80		23,345.80	21,563.03	21,563.03
3126	31	7-20-71	15,729.67	(3,325.84)	12,403.83	9,942.88	9,942.88
3125	32	7-3-70	11,542.07	(2,426.48)	9,115.59	6,326.18	6,326.18
3122	33	4-8-70	4,965.00	(1,284.28)	3,680.72	3,679.37	3,679.37
3273	34	12-4-70	5,394.17		5,394.17	3,870.94	3,870.94
3363	35	3-17-70	32,373.80	(1,789.44)	30,584.36	28,488.41	28,488.41
3364	37	6-19-70	25,525.00		25,525.00	21,050.50	21,050.50
3408	39	8-7-70	17,029.75	(5,766.77)	11,262.98	11,226.02	11,226.02

4/2/76

KERN ISLAND WATER COMPANY
ASHE WATER SERVICE AREA

REFUNDABLE ADVANCES FOR CONSTRUCTION

Tract	Contract Number	Contract Date	Original Amount	Adjustments	Contract Amount	Balance 12-31-75	Balance 2-29-76
INDC (Cont'd)	3409	8-7-70	\$ 8,448.50	\$(2,288.09)	\$ 6,160.41	\$ 4,382.76	\$ 4,382.76
	3434	2-24-71	9,010.00	(2,036.39)	6,973.61	6,341.59	6,341.59
	3494	10-15-71	28,402.00	(4,662.50)	23,739.50	20,386.85	20,386.85
	3546	12-2-71	42,165.00	(9,239.29)	32,925.71	30,529.32	29,221.09
	3519	12-2-71	12,656.00	(1,149.57)	11,506.43	10,480.38	9,703.49
	3598	3-1-72	18,997.00	(1,477.31)	17,519.69	15,916.87	15,916.87
	3510	7-7-72	30,568.00		30,568.00	30,116.57	30,116.57
	Lennox Ave.	8-16-72	31,393.00	(15,793.09)	15,609.91	15,526.64	15,526.64
	3609	8-28-72	9,742.00	(1,955.90)	7,786.10	7,323.00	7,323.00
	3624	10-11-72	22,542.00	(811.04)	21,730.96	19,404.55	19,404.55
3622	1-10-73	30,453.00	(7,397.78)	23,055.22	22,488.69	21,943.49	
3623	11-6-72	29,105.00	(5,260.56)	23,844.44	21,792.25	21,792.25	
3614	3-19-73	20,285.00	(5,734.15)	14,550.85	14,308.67	14,308.67	
3499	4-26-73	16,524.27	(4,061.64)	12,462.63	12,234.38	12,234.38	
3664	9-26-73	17,670.26	(4,632.30)	13,037.96	12,739.20	12,739.20	
3663	9-26-73	29,507.00	(15,182.98)	14,324.02	13,776.73	13,776.73	
3629	9-26-73	20,294.00	(4,993.86)	15,300.14	14,507.68	14,507.68	
3741	4-1-75	16,735.00	(2,772.07)	13,962.93	13,962.93	13,962.93	
Parcel 893	10-23-73	5,064.00	(3,056.21)	2,007.79	1,988.73	1,988.73	
3598B	1-24-74	23,400.00	(3,642.39)	19,757.61	19,757.61	19,757.61	
Parcel 541	1-24-74	11,822.00	(3,876.69)	7,945.31	7,945.31	7,945.31	
3690	1-24-74	26,386.00	(3,714.17)	22,671.83	22,671.83	22,671.83	
3692	1-24-74	22,117.00	(4,389.60)	17,727.40	17,716.62	17,716.62	
3693	1-24-74	15,478.00	(4,810.06)	10,667.94	10,646.82	10,646.82	
3675	4-5-74	3,845.76		3,845.76	3,845.76	3,845.76	
3701	7-22-74	18,904.00	(6,298.53)	12,605.47	12,592.68	12,592.68	
3702	7-27-74	3,085.00	(1,215.10)	1,869.90	1,867.92	1,867.92	
3565	9-19-74	17,009.00	(8,384.16)	8,624.84	8,569.72	8,569.72	
3714	1-9-75	3,552.00	(1,017.14)	2,534.86	2,534.86	2,534.86	
3715	1-9-75	15,412.00	(2,603.98)	12,808.02	12,808.02	12,808.02	
3729	3-18-75	44,979.00		44,979.00	44,979.00	44,979.00	

4/2/76

KERN ISLAND WATER COMPANY
 ASHE WATER SERVICE AREA

REFUNDABLE ADVANCES FOR CONSTRUCTION

Tract	Contract Number	Contract Date	Original Amount	Adjustments	Contract Amount	Balance 12-31-75	Balance 2-29-76
TRDC (Cont'd)							
3728	76	3-27-75	\$39,994.00		\$39,994.00	\$39,994.00	\$39,994.00
3745	77	3-28-75	36,557.00		36,557.00	36,557.00	36,557.00
3737	79	8-7-75	3,992.00		3,992.00	3,992.00	3,992.00
3757	80	8-28-75	27,607.00		27,607.00	27,607.00	27,607.00
3759	81	8-28-75	30,846.00		30,846.00	30,846.00	30,846.00
3749	82	10-8-75	12,518.00		12,518.00	12,518.00	12,518.00
3756	84		24,938.00		24,938.00	24,938.00	24,938.00
3505	83		18,886.00		18,886.00	18,886.00	18,886.00
Total TRDC			\$1,264,316.41	\$(140,903.64)	\$1,123,412.77	\$907,135.67	\$921,699.42
OTHER - West Park Bible							
Baptist Church	16	8-1-66	1,771.20		1,771.20	1,070.53	1,070.53
Smithers Oasis	36	4-1-70	9,611.25		9,611.25	9,161.19	9,161.19
Guy T. Cannon Inc.	43	7-21-71	5,662.00		5,662.00	4,839.95	4,839.95
Belle Terrace Improvement Co.	48	3-23-72	1,860.00		1,860.00	1,329.17	1,329.17
John Shipman (The Meadows)	49	6-6-72	2,034.21	2,206.81	4,331.02	4,245.12	4,245.12
Newman Properties (Stockdale Village)	56	3-26-73	25,945.00	(3,585.62)	22,359.38	21,633.35	21,633.35
Klampon Corp.	78	7-2-75	6,229.00		6,229.00	6,229.00	6,229.00
Total Others			53,112.66	(1,288.81)	51,823.85	48,508.31	48,508.31
TOTAL			\$1,317,429.07	\$(142,192.45)	\$1,175,236.62	\$955,643.98	\$970,207.73

4/2/76

KERN ISLAND WATER COMPANY
 ASHE WATER SERVICE AREA
 PLANT IN SERVICE
 As of 12-31-75

	<u>Cost</u>	<u>Reserve for Depreciation</u>	<u>Book Value</u>
<u>Franchises & Consents</u>	\$ 8,180.95	\$ -0-	\$ 8,180.95
<u>Land & Land Rights</u>	\$ 24,812.17	\$ -0-	\$ 24,812.17
<u>Source of Supply Plant</u>			
Structures & Improvements	\$ 10.36	\$ 10.36	\$ -0-
Wells	134,215.68	25,485.63	108,730.05
Other	43.88	9.18	34.70
Total Source of Supply Plant	<u>\$ 134,269.92</u>	<u>\$ 25,505.17</u>	<u>\$ 108,764.75</u>
<u>Pumping Plant</u>			
Structures & Improvements	\$ 42,725.98	\$ 5,559.96	\$ 37,166.02
Engines - Electric	153,471.60	19,437.16	134,034.44
Engines - Gas	11,337.38	8,139.39	3,197.99
Total Pumping Plant	<u>\$ 207,534.96</u>	<u>\$ 33,136.51</u>	<u>\$ 174,398.45</u>
<u>Transmission & Distribution Plant</u>			
Structures & Improvements	\$ 1,354.34	\$ 367.06	\$ 987.28
Reservoirs & Tanks	62,685.12	16,919.26	45,765.86
Mains	1,141,318.99	113,014.64	1,028,304.35
Fire Mains	2,289.20	377.73	1,911.47
Services	295,786.10	52,761.26	243,024.84
Meters	125,794.59	24,219.92	101,574.67
Meter Installation	44,281.82	8,275.20	36,006.62
Hydrants	47,167.97	7,125.59	40,042.38
Total Trans. & Dist. Plant	<u>\$1,720,678.13</u>	<u>\$223,060.66</u>	<u>\$1,497,617.47</u>
<u>General Plant</u>			
Structures & Improvements	\$ 5,793.11	\$ 4,641.54	\$ 1,151.57
Furniture & Fixtures	5,665.57	5,665.57	-0-
Transportation Equipment	-0-	25.00	(25.00)
Tools Shop & Garage Equipment	1,875.17	1,875.17	-0-
Total General Plant	<u>\$ 13,333.85</u>	<u>\$ 12,207.28</u>	<u>\$ 1,126.57</u>
 Total Plant in Service	 <u>\$2,108,809.98</u>	 <u>\$293,909.62</u>	 <u>\$1,814,900.36</u>

EXHIBIT "J"

KERN RIVER CANAL WATER SALVAGE FORMULA

Determination of Kern River Conduit Entitlement

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7 The river loss entitlement of Kern River water based on
8 the operation of the Kern River Conduit in delivering Second Point
9 water to Second Point of Measurement is based on rights as set
10 forth in the Miller-Haggin Agreement of 1888 as amended in 1964
11 and is calculated as follows:

12 I. "Cumulative Flow" Less than 6,000 sfd

13 Commencing on March 1 of each year, the computed daily
14 natural flow of Kern River at First Point of Measurement in excess
15 of 300 cubic feet per second (cfs) (hereinafter "excess daily
16 flow") is accumulated through the day that the accumulated amount
17 of excess daily flow is nearest to 6,000 second foot days (sfd).
18 During this period, the daily natural flow in excess of 300 cfs
19 is apportioned in two parts only each day. One part represents
20 the entitlements of Buena Vista Water Storage District (BVWSD),
21 Hacienda Water District (Hacienda) and Tulare Lake Basin Water
22 Storage District (Tulare Lake) to natural flow, and the remaining
23 part is the entitlement of the Kern River Conduit.

24 However, all actual river losses in excess of 11 cfs
25 and all Carrier Canal losses are deducted from the above calculated
26 entitlement of the Kern River Conduit each day. The first 11 cfs
27 of losses is deducted from the Kern Island Water Company (Kern

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EXHIBIT J

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1 Island First) entitlement.

2 II. "Cumulative Flow" Greater than 6,000 sfd

3 For the period following the day that the accumulated
4 amount of "excess daily flow" is nearest to 6,000 sfd, the entitle-
5 ment of Kern River Conduit is computed utilizing Attachment "A",
6 "Kern River Loss Rates." The Kern River Conduit entitlement equals
7 the savings in river losses computed as the sum of the base loss
8 and the incremental loss rate multiplied by the entitlements to
9 natural flow of BVWSD, Hacienda and Tulare Lake less certain
10 adjustments hereinafter described.

11 The rates of daily base loss for this period are listed
12 in Attachment "A" by weeks commencing from the first day after the
13 accumulated amount of "excess daily flow" is nearest to 6,000 sfd.
14 Similarly, the incremental loss rate is tabulated by weeks in
15 Attachment "A".

16 If the sum of the Kern Island (first) entitlement,
17 BVWSD entitlement, KCL Second Point entitlement, Hacienda and
18 Tulare Lake entitlements and the computed Kern River Conduit entitle-
19 ment is greater than the computed natural flow of Kern River at
20 First Point of Measurement, then the computed entitlement of the
21 Kern River Conduit is reduced to equal the difference between the
22 natural flow of the Kern River and the Kern Island (first) entitle-
23 ment plus the entitlements of BVWSD, KCL Second Point (4.563%),
24 Hacienda and Tulare Lake.

25 For the period from March through August when the Kern
26 River Conduit accrues entitlement, all actual river losses in
27 excess of 11 cfs and all Carrier Canal losses are deducted from the
28 calculated entitlement of the Kern River Conduit, unless such losses

1 are due to a specific request for release (in which event the loss
2 is borne by the party requesting the release). The first 11 cfs
3 of the actual river loss is deducted from the entitlement of First
4 Point Canals other than Kern Island's entitlement to the first
5 300 cfs of flow (Kern Island (first)). For natural flow of less
6 than 311 cfs, the said Kern Island entitlement will be equal to
7 natural flow at First Point less 11 cfs.

8 For the period from September through February, all
9 actual river losses in excess of 11 cfs to the extent that they are
10 offset by gains in the river are charged to Kern County Canal and
11 Water Company (KCC&WC). Any gains in the river downstream of First
12 Point of Measurement during this period are credited to KCC&WC.

13 KCC&WC will bear actual river losses in excess of 11
14 cfs and all Carrier Canal losses at such times during the period
15 from September through February when the water carried through the
16 Carrier Canal is for Farmers Canal, Stine Canal, Buena Vista Canal
17 and KCC&WC. If the water flowing in the Carrier Canal is only for
18 the purpose of Farmers, Stine and/or Buena Vista Canals, then the
19 actual river losses in excess of 11 cfs and Carrier Canal losses are
20 shared among Farmers, Stine and/or Buena Vista Canals on the basis
21 of their proportionate use of the Carrier Canal and the Kern River
22 channel. If the Carrier Canal is used to deliver water to Kern
23 River Conduit for use by BVWSD, then Carrier Canal losses and all
24 actual river losses in excess of 11 cfs will be charged to BVWSD.
25 Similarly, Carrier Canal losses and all actual river losses in
26 excess of 11 cfs will be charged to Hacienda and Tulare Lake, if
27 water delivered through the conduit is for Hacienda and Tulare Lake.
28 The first 11 cfs of the actual river loss is deducted from the

1 entitlement of the First Point Canals other than Kern Island's
2 entitlement to the first 300 cfs. For natural flows of less than
3 311 cfs, Kern Island's entitlement will be equal to natural flow
4 at First Point less 11 cfs.

5 III. Attachment "B" is a tabulation entitled "Historical
6 Entitlements of Kern River Conduit as Determined by the Kern County
7 Canal and Water Company." It presents the computed Kern River
8 Conduit entitlements as determined by the KCC&WC based upon the
9 attached "Kern River Loss Rate" table for the period 1963 through
10 1974.

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Attachment "A"
KERN RIVER LOSS RATE

<u>Period</u> <u>In Weeks</u> ^{1/}	<u>Base Loss</u> <u>In cfs Per Day</u>	<u>Incremental</u> ^{2/} <u>Loss Rate</u>
1	285	0.272
2	263	0.250
3	250	0.237
4	246	0.233
5	243	0.231
6	240	0.228
7	239	0.226
8	238	0.225
9	237	0.224
10	237	0.224
11	237	0.224
12	237	0.224
13	238	0.225
14	239	0.226
15	239	0.226
16	240	0.227
17	242	0.229
18	243	0.230
19	243	0.230
20	243	0.230
21	239	0.226
22	235	0.222
23	232	0.219
24	228	0.215
25	224	0.211
26	220	0.208

^{1/} A period of seven days commencing on the day when the accumulated amount of excess daily natural flow, starting on March 1, is nearest to 6,000 sfd.

^{2/} The incremental loss is determined by multiplying the entitlements of Buena Vista Water Storage District, Hacienda Water District and Tulare Lake Basin Water Storage District by the incremental loss rate.

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Attachment "B"

HISTORICAL ENTITLEMENTS OF KERN RIVER CONDUIT
AS DETERMINED BY THE KERN COUNTY CANAL & WATER COMPANY

(In Acre-Feet)

Calendar Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
1963	0	0	11,298	19,194	21,933	21,116	15,955	11,328	0	0	0	0	100,824
1964	0	0	4,248	14,408	15,959	15,297	3,590	224	0	0	0	0	53,726
1965	0	0	11,295	16,661	17,845	18,025	13,656	10,681	0	0	0	0	88,163
1966	0	0	13,617	19,414	19,307	15,503	2,987	1,319	0	0	0	0	72,147
1967	0	0	22,722	22,737	44,888	46,834	46,167	19,593	0	0	0	0	202,941
1968	0	0	19,700	17,893	19,547	17,165	7,018	1,976	0	0	0	0	83,299
1969	0	0	34,560	73,883	115,025	90,690	49,138	20,386	0	0	0	0	383,682
1970	0	0	20,866	17,546	21,293	19,763	15,128	2,644	0	0	0	0	97,240
1971	0	0	12,353	16,567	18,016	18,958	13,089	1,109	0	0	0	0	80,092
1972	0	0	9,671	5,676	15,497	11,254	173	0	0	0	0	0	42,271
1973	0	0	19,424	21,273	37,408	31,565	19,537	12,020	0	0	0	0	141,235
1974	0	0	24,538	21,445	27,511	26,106	18,607	11,449	0	0	0	0	129,656

CONTRACT AND AGREEMENT

BETWEEN

HENRY MILLER and Others, of the First Part,

AND

JAMES B. HAGGIN and Others, of the Second Part.

WHEREAS, the following named persons and corporations, viz:

Henry Miller; Frederick Cox; C. W. Clarke; George N. Cornwell; Horatio Stebbins; Henry Miller, the surviving partner of the late firm of Miller & Lux; Henry Miller, Jesse Sheldon Potter and Miranda Wilmarth Lux, Executors and Executrix of the Last Will and Testament of Charles Lux, deceased; Miranda Wilmarth Lux, Philip Lux, Barbara Lux, Dorothea Roehrig, formerly, Dorothea Lux, wife of Henry Roehrig, George Lux, Henry Lux, Charles H. Lux, Lizzie M. Lux, Lena B. Lux, Jesse Sheldon Potter, devisees under the will and heirs of Charles Lux, deceased;

The Kern Valley Water Company;
The Kern River Land and Canal Company;
The Kern River Water and Irrigating Company;
The Stine Canal Company;
The Anderson Canal Company;
The Gates Canal Company;
The Buena Vista Canal Company;
The James Canal Company;
The Piunkett Canal Company;
The Meacham Irrigating Canal Company (unincorporated).
The Goose Lake Canal Company;
The Pioneer Canal Company;
The James & Dixon Canal Company;
The Joyce Canal Company;
The Kern Island Irrigating Canal Company;
The Farmers' Canal Company;
James B. Haggin; Lloyd Tevis; William B. Carr;
The Johnson Ditch or Canal (unincorporated);
The Railroad Canal (unincorporated);
The Wible Canal (unincorporated);
The Jones and Tuckey Ditch (unincorporated);
The May Ditch (unincorporated);
The Frazier and Rymes Ditch (unincorporated);
The Edwards, Shinn and Meacham Ditch (unincorporated)
The Parish and Wilson Ditch (unincorporated);
The McCord Canal (unincorporated);

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The South Fork Ditch or Canal (unincorporated);
 The Goode and McCaffrey Ditch (unincorporated);
 The Castro Ditch (unincorporated);
 The Kern Valley Bank;
 The Bloomfield Land Association;
 Philo Jewett
 E. M. Roberts
 H. L. Borgwardt, Jr.
 L. S. Rogers
 R. N. Ferguson
 W. L. Dixon
 M. S. Nelson
 F. D. Nelson
 Chas. Beuterbaugh
 I. W. Harbaugh
 Susan Pensinger, administratrix of the estate of Jerry
 Pensinger, deceased;
 W. E. Houghton
 Warren Olney
 R. E. Houghton
 G. P. Laird
 F. J. Laird
 John M. Keith
 S. A. Pindar
 P. D. Jewett
 R. McDonald
 J. C. Roberts
 W. W. Frazier
 Peter McCaffrey
 M. W. Morris
 Rosetta Bull
 Samuel B. Kingsley
 S. W. Wible
 C. W. Duvall
 T. E. Owens
 I. D. Thronsen, administratrix of the estate of Otto
 Thronsen, deceased.

F. H. Colton
 George G. Carr
 Alex. Mills
 A. Tyler
 H. F. Laird
 H. H. Fish
 C. C. Pierce
 G. W. Pierce
 E. Eccleston
 John A. Fry
 Ezra Chaffee
 E. J. Wareham
 George C. Smart
 Edw. Gray Stetson
 C. C. Stockton
 Geo. Daggett
 I. N. King
 Charles Kerr
 John E. Bailey
 D. G. McLeas
 Frank Howell
 H. A. Blodget
 Isaac Jameson
 D. B. Hurlbut
 C. E. Coughran
 J. J. Darnyl
 A. P. Bernard

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—each of the companies above named being a corporation, created and existing under and pursuant to the laws of the State of California—own, or claim to own, certain lands or interests in lands situated in Kern County, State of California, and all of which lands so owned or claimed, or in which an interest is owned or claimed, are either bordering on or along the watercourse known as Kern River and at its lower end known as Buena Vista Slough, or bordering on Kern and Buena Vista Lakes, or on one of said lakes, or on the slough connecting said lakes, all in said county, or are irrigated from said river, lakes and sloughs, or some thereof, or have, or claim to have, certain rights and properties in and to the waters of said river, lakes and sloughs, or some thereof, or have, or claim to have, the right to divert, take out, use and consume said waters, or some thereof, or have, or claim to have, the right to furnish and supply to said and other lands, or to the owners,

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claimants, holders or possessors thereof, for use thereon for irrigation and other purposes water from said river, lakes and sloughs, or some thereof;

AND WHEREAS, all of the aforesaid owners of and claimants in said lands claim to have in connection with or as appurtenant to, or as a part and parcel of said lands, certain riparian or other rights to the waters of said river, sloughs or lakes, or some thereof;

AND WHEREAS, Henry Miller, Frederick Cox; C. W. Clarke; George N. Cornwell; Horatio Stebbins; Henry Miller, surviving partner of the late firm of Miller & Lux; Henry Miller, Jesse Sheldon Potter and Miranda Wilmarth Lux, Executors and Executrix of the Last Will and testament of Charles Lux, deceased; Miranda Wilmarth Lux, Philip Lux, Barbara Lux, Dorothea Roehrig, formerly Dorothea Lux, wife of Henry Roehrig, George Lux, Henry Lux, Charles H. Lux, Lizzie M. Lux, Lena B. Lux and Jesse Sheldon Potter, devisees under the will and heirs of Charles Lux, deceased, and each of them, and James B. Haggin, and others of the above named parties, own land bordering upon Kern River, Buena Vista Slough, Kern Lake or Buena Vista Lake, or the Slough connecting said Lakes, or on one or more of them, and as to such lands are entitled to riparian property rights in or upon said Kern River, Buena Vista Slough, Kern Lake and Buena Vista Lake, or on the Slough connecting said Lakes and the waters thereof, or in or upon some one or more of them or in or to the waters thereof;

AND WHEREAS, the above named persons and corporations, or some thereof, have acquired and now hold valid and vested rights by appropriation in and to certain portions of the waters of said river, lakes and sloughs, at points thereon below the point on said river hereinafter fixed and designated as the first point of measurement, and have also made and acquired and now hold by appropriation other valid and vested rights against all the world, except as against said above mentioned riparian proprietors, in and to all the waters of said river, lakes and sloughs at every point thereon below said first point of measurement;

The said Henry Miller, Frederick Cox; C. W. Clarke; George N. Cornwell; Horatio Stebbins; Henry Miller, the surviving partner of the late firm of Miller & Lux; Henry Miller, Jesse Sheldon Potter and Miranda Wilmarth Lux, Executors and Executrix of the Last Will and Testament of Charles Lux, deceased; Miranda Wilmarth Lux, Philip Lux, Barbara Lux, Dorothea Roehrig, formerly Dorothea Lux, wife of Henry Roehrig, George Lux, Henry Lux, Charles H. Lux, Lizzie M. Lux, Lena B. Lux, Jesse Sheldon Potter, devisees under the will and heirs of Charles Lux, deceased; and the Kern Valley Water Company will be hereinafter designated as the parties of the first part herein, and all other parties to this agreement will be hereinafter designated as the parties of the second part;

AND WHEREAS, of the parties of the first part, Henry Miller, and of the parties of the second part, James B. Haggin, own, hold and control the larger interests in the lands and waters mentioned in this agreement, and are more affected by its terms and provisions than the others of said respective parties;

AND WHEREAS, the parties of the first part, or some of them, have instituted or now control and are directly or indirectly interested in the result of sundry suits, actions and other proceedings at law or in equity against James B. Haggin, Lloyd Tevis, William B. Carr and others, corporations and individuals taking out and using the waters of said river at points on said river above the lands of the parties of the first part, and also above

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the point where the Canal of the Kern Valley Water Company takes its water from Buena Vista Slough:

NOW FOR THE PURPOSE of settling and finally terminating such litigation, suits, actions and proceedings at law and in equity, relative to the waters of Kern River, Buena Vista Slough, Kern and Buena Vista Lakes, and the slough connecting said lakes, or any thereof, or the obstructions, diversions, consumption and use thereof, and of amicably adjusting, compromising and settling all conflicting interests directly or indirectly involved in or affected by such suits, actions and other proceedings, and also all the rights of the parties of the first part, their heirs, executors, administrators and assigns, and of the parties of the second part, their heirs, executors, administrators, and assigns, in and to the waters of Kern River, Buena Vista Slough, and Kern and Buena Vista Lakes, and the slough connecting said lakes, and to the use thereof, as between said parties of the first part, their heirs, executors, administrators and assigns, and said parties of the second part, their heirs, executors, administrators and assigns, and also that all of the said lands owned or claimed by the parties hereto, and all lands supplied or contemplated to be supplied with water by the said respective canal companies corporations, situated in the townships hereinafter described, may be supplied with water for irrigation and other purposes, and thereby be benefited and made more valuable by reason of receiving such water for such purposes.

IT IS HEREBY MUTUALLY AGREED by and between the parties hereto—

FIRST.

The waters flowing in Kern River shall be measured and ascertained from time to time during the months of March, April, May, June, July and August of each year, and as often as may be necessary, or as Henry Miller or James B. Haggin may request, or as a majority in interest of the parties of the first part or a majority in interest of the parties of the second part may demand, but not more than once each day, by the superintendent hereinafter mentioned or by some other competent and disinterested person appointed therefor by Henry Miller and James B. Haggin, or by the parties of the first part and the parties of the second part, at some convenient point above the head of the canal of the Kern River Water and Irrigating Company, known as the Beardsley Ditch or Canal, which point shall be known as the *First Point of Measurement*. Such point of measurement to be at the point in Section two (2), in Township twenty-nine (29) south, Range twenty-eight (28) east, Mount Diablo base and meridian, at which Walter James and S. W. Wible have recently made a cross-section of Kern River and established gauges for ascertaining the amount of water flowing in said river, until some other point is agreed upon by said Henry Miller and James B. Haggin, or by a majority in interest of the parties of the first part and a majority in interest of the parties of the second part.

SECOND.

During said months of March, April, May, June, July and August of each and every year, the water flowing in Kern River shall also be measured at the weirs across the Kern River at the head of what is known as the Joyce Canal, on Section twenty-three (23), in Township thirty (30) south, Range twenty-five (25) east, Mount Diablo base and meridian. Such measurement to be made on the same day and as soon as practicable after the

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measurement is made at the First Point of Measurement, and by said Superintendent or by some other competent and disinterested person, appointed therefor by said Henry Miller and James B. Haggin or by a majority in interest of the parties of the first part and a majority in interest of the parties of the second part. The point of measurement at the head of the Joyce Canal shall be known as the *Second Point of Measurement*.

If by reason of the washing out of or damage to the levees or weirs at the Second Point of Measurement, the water flowing in Kern River cannot be measured at said Second Point of Measurement at any time during said months of March, April, May, June, July and August, then and in that event the measurements shall be made at some point below said Second Point of Measurement, to be selected by said Henry Miller and James B. Haggin, or by the Superintendent provided for in this contract, or by a majority in interest of the parties of the first part and a majority in interest of the parties of the second part, until such levees or weirs can be repaired and replaced so that the measurement can be made at such designated Second Point of Measurement.

THIRD.

During the months of March, April, May, June, July and August of each and every year, from and after March 1st, 1888, the waters flowing in Kern River shall be divided and apportioned between the parties of the first part, their heirs, executors, administrators and assigns, and the parties of the second part, their heirs, executors, administrators and assigns, as follows, that is to say:

When the amount of said waters flowing at said First point of Measurement does not exceed three hundred (300) cubic feet flowing per second, the Kern Island Irrigating Canal Company, one of the parties of the second part, its successors and assigns, shall be entitled to all thereof.

When the amount of said waters flowing at said First Point of Measurement during said months of March, April, May, June, July and August exceeds three hundred (300) cubic feet flowing per second, then of the amount thereof over and in excess of said first three hundred (300) cubic feet per second, the parties of the first part, their heirs, executors, administrators and assigns, shall be entitled to one-third ($\frac{1}{3}$), and the parties of the second part, their heirs, executors, administrators and assigns, shall be entitled to two-thirds ($\frac{2}{3}$); and the parties of the first part, their heirs, executors, administrators and assigns, shall be entitled to receive their full one-third at the Second Point of Measurement, without diminution by reason of percolation or seepage or any interference whatsoever of or by the parties of the second part, their heirs, executors, administrators or assigns, to be used and disposed of by them in any manner, at any place and for any purpose they may think proper, or arrange or agree upon among themselves. The water allotted to the parties of the second part, other than the three hundred (300) cubic feet flowing per second, above specifically allotted to the Kern Island Irrigating Canal Company, in addition to its other rights as one of the parties of the second part, to be taken out, used and disposed of by them in any manner, at any place and for any purpose they may think proper, or arrange or agree upon among themselves. Said three hundred (300) cubic feet of water flowing per second, so specifically allotted to said Kern Island Irrigating Canal Company, to be by it taken out, used and disposed of in any manner, at any place and for any purpose it may think proper.

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During the months of January, February, September, October, November and December of each and every year, the Kern Island Irrigating Canal Company, its successors and assigns, as to the first three hundred (300) cubic feet flowing per second, and the parties of the second part, their heirs, executors, administrators and assigns, as to all over and above said first three hundred (300) cubic feet flowing per second, shall be entitled to all the water flowing in said Kern River at any point above said Second Point of Measurement, and may intercept, divert, take out, use and consume the same in such manner, and at such points and places, and for such purposes, as they may desire. Any and all water to which the parties of the second part are entitled hereunder, which shall not have been diverted by the parties of the second part, their heirs, executors, administrators or assigns, or some of them, before reaching said Second Point of Measurement, shall, upon and after passing said Second Point of Measurement, belong to the parties of the first part, their heirs, executors, administrators and assigns, to be used and enjoyed by them as the other waters which they shall receive as hereinabove provided.

And the parties hereto of the second part, and each of them, hereby acknowledge the right of the parties of the first part as riparian proprietors in Kern River, Buena Vista Slough, Kern and Buena Vista Lakes, and on the slough connecting said lakes, to the proportion of water flowing in Kern River, hereinbefore agreed upon, and that as such riparian proprietors they shall, at all times, be entitled to receive at the Second Point of Measurement, during the months of March, April, May, June, July and August, of each year, the amount of water they are so entitled to.

And the parties hereto of the first and second parts hereby agree that in the event of any party or parties, corporation or corporations, not parties to this contract, shall at any time divert any water from Kern River at any point between the said First and Second Points of Measurement, then and in that event the loss occasioned to the parties hereto by such diversion shall be borne, one-third by the parties of the first part, and two-thirds by the parties of the second part.

FOURTH.

THE PARTIES HERETO HEREBY FURTHER AGREE, that they will construct or cause to be constructed about Buena Vista Lake a levee so that such lake shall become a reservoir for storing water to be used for irrigating the lands of the parties of the first part hereto. Said levee to be constructed on or as nearly on the following line as practicable: Commencing at a point on the range line between Ranges twenty-five (25) and twenty-six (26) east, on or about Section thirteen (13), in Township thirty-two (32) south, Range twenty-five (25) east; thence running north along said range line to the northeast corner of Section thirty-six (36), Township thirty-one (31) south, Range twenty-five (25) east; thence running west along the north line of said Section thirty-six (36) to the north-west corner thereof; thence running northwesterly along the clear water line of said Buena Vista Lake to the east side of Buena Vista Slough, at or near the north line of Section seventeen (17), Township thirty-one (31) south, Range twenty-five (25) east. ALSO, a levee from a point on the west side of Buena Vista Slough on or near the north line of said Section seventeen (17), and running westerly by the shortest and most practicable line to the high land or bluff northwesterly of Buena Vista Lake. Such levees to be constructed to an uniform height of four (4) feet above the level of the segregation line dividing the

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Swamp and Overflowed Land from the high land, to be twelve (12) feet wide on the top, and with an inner slope of four (4) to one (1) and outer slope of three (3) to one (1); together with necessary gates and other works necessary to regulate and control water running into and taken out of such reservoir. All such levees and other works to be constructed in accordance with plans prepared by Walter James and F. P. McCray, in October, 1885.

All such levees and other works to be constructed under the supervision of a civil engineer to be selected and changed at pleasure by James B. Haggin and Henry Miller. Said Haggin and Miller may also change the plans and locations of such levees and other works in such manner and to such extent as they may mutually deem advisable. They may also provide for the construction thereof in any way or manner they may deem most expedient.

The expense of constructing, repairing and maintaining all such levees and other works to be paid, one-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors, administrators and assigns.

IT IS FURTHER AGREED, in consideration of the sum of eight thousand five hundred dollars (\$8500) by the parties of the second part to the parties of the first part in hand paid, the receipt whereof is hereby acknowledged, that the parties of the first part will protect and save harmless the said parties of the second part, their heirs, executors, administrators and assigns, and each of them, from any and all suits, claims and demands for damages resulting from the flooding or damaging any lands not belonging to any of the parties to this agreement by reason of such reservoir, levees and other works.

IT IS FURTHER AGREED, that any and all lands which may be purchased to avoid paying damages for flooding the same by such reservoir, levees and other works, shall be paid for by the parties of the first part, their heirs, executors, administrators and assigns, and that all suits and proceedings which may be instituted to hinder or prevent the construction or maintenance of such reservoir, levees and other works, brought by the owners, holders or claimants of or of any interest in any lands to the westward or to the southward of such levees, or either of them, shall be defended by and at the cost and expense of the parties of the first part, their heirs, executors, administrators and assigns, and without cost or charge to the parties of the second part, their heirs, executors, administrators or assigns; any other suits or proceedings brought by other parties to restrain or prevent the construction or maintenance of such levees and other works, shall be defended by the parties hereto, and the expenses thereof, including attorney's fees, shall be paid, one-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors, administrators and assigns.

But it is expressly understood and agreed, that no party to this contract will claim any damage resulting from the breaking of such reservoir, levees or other works.

IT IS ALSO AGREED, that if in the future, after said reservoir, levees and other works shall have been constructed, they shall break and cause injury to the lands of others not parties to this contract, nor the heirs, executors, administrators or assigns, of any of said parties, such damages as may be recovered therefor, shall be paid, one-half by the parties of

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the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors, administrators and assigns; and all expenses of defending suits (including attorneys' fees), which may be brought to recover damages for such injuries, shall be paid by the same persons and in the same proportions.

Said reservoir being for the purpose of storing water for the benefit of the parties of the first part, the said parties of the first part for themselves, their heirs, executors, administrators and assigns, covenant and agree that said reservoir shall not at any time be filled or stored with water to any point therein higher than one foot from the top of said levees.

FIFTH.

THE PARTIES HERETO FURTHER AGREE to construct and maintain and repair such levees, weirs or other works as may be necessary to enable a correct measurement of water to be made at the two points of measurement above mentioned. The expenses thereof to be paid, one-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors, administrators and assigns.

All such levees, weirs and other works to be constructed under the supervision of some Civil Engineer to be selected by Henry Miller and James B. Haggin; such Engineer, however, may be changed from time to time by said Miller and Haggin, as they deem advisable. Said Miller and Haggin may also change the plans or location of such works in such manner and to such extent as they mutually deem advisable. They may also provide for the construction thereof in any way or manner they deem expedient.

SIXTH.

THE PARTIES HERETO FURTHER AGREE to construct such levees as may be necessary to control the flow of water to the natural channel of Kern River, below the Second Point of Measurement, into Buena Vista Slough and Buena Vista Lake; together with such gates, weirs and other works as may be necessary to regulate and control the flow of such water into and out of Buena Vista Lake.

All such levees and other works to be constructed under the supervision and according to the plans of a civil engineer to be selected, and whose plans shall be approved by Messrs. James B. Haggin and Henry Miller; such engineer, however, may be changed from time to time by Messrs. Haggin and Miller, as they deem advisable. The said Henry Miller and James B. Haggin may also change the plans of such canals, levees and other works in such manner and to such extent as they mutually deem advisable. They may also provide for the construction thereof in any way or manner they deem most expedient. They may also, if they so deem advisable, straighten out or deflect the course of said River, below said Second Point of Measurement, or change the same as they see proper.

The expenses of constructing and maintaining such levees and other works to be paid as follows: One-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors administrators and assigns.

SEVENTH.

THE PARTIES HERETO FURTHER AGREE to dig and construct a canal from Buena Vista Lake to the head of the Canal of the Kern Valley Water Company, in Section fourteen (14), Township thirty (30) south, Range twenty-four (24) east, such canal to be fifty (50) feet wide on the bottom, side slopes of three (3) to one (1) with the bottom grade of the canal where it leaves Buena Vista Lake to be five (5) feet below the level of the segregation line of Swamp and Overflowed Land, and to be constructed with necessary head-gates and waste-gates, and in accordance with a survey made and plans and specifications prepared by Walter James and F. P. McCray, in October, 1885.

All of such canals, gates and other works to be constructed under the supervision of a civil engineer to be selected by Messrs. James B. Haggin and Henry Miller; such engineer, however, may be changed from time to time by Messrs. Haggin and Miller, as they deem advisable. The said Henry Miller and James B. Haggin may also change the plans of such canals, levees and other works in such manner and to such extent as they mutually deem advisable. They may also provide for the construction thereof in any way or manner they deem most expedient.

The expenses of constructing such canals and other works to be paid as follows: One-half by the parties of the first part, their heirs, executors, administrators and assigns; and one-half by the parties of the second part, their heirs, executors, administrators and assigns.

The expenses of maintaining all such levees, canals and other works to be paid by the parties of the first part, their heirs, executors, administrators and assigns.

EIGHTH.

IT IS UNDERSTOOD AND AGREED, that no party to this agreement shall make any claim for payment for any right of way through his or their lands for any of the canals, levees or other works hereinabove agreed to be constructed by the parties hereto. ALSO, that the parties who are to maintain the same shall have the right of access thereto to inspect and keep the same in repair.

NINTH.

A competent superintendent shall be employed to take charge of measuring the water at the First and at the Second Points of Measurement, and whose duties it shall also be to see that all the levees, canals and other works, except the canal from Buena Vista Lake to the head of the canal of the Kern Valley Water Company, are kept in good condition and repair, and whose duty it shall also be to see that the parties of the first part, their heirs, executors, administrators and assigns, receive at the Second Point of Measurement the amount of water they are entitled to under the provisions of this contract, during the months of March, April, May, June, July and August. Such superintendent, and all other agents and attorneys (one of such attorneys to be selected by Henry Miller and one by James B. Haggin), employed under the provisions of this contract, may be selected, changed and removed, and their salaries, compensations and expenses fixed by Messrs. Henry Miller and James B. Haggin, or by a majority in interest of the parties of the first part, and a majority in interest of the parties of the second part, and such salaries, compensations and expenses shall be paid, one-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their

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heirs, executors, administrators and assigns.

TENTH.

IT IS FURTHER AGREED, that the construction of the canal, levees and head-gates and other necessary works provided for in this agreement, to convey water from Buena Vista Lake to the head of the canal of the Kern Valley Water Company, shall be commenced on or before September 1st, 1888, and completed before the first day of March, 1889.

ELEVENTH.

IT IS FURTHER AGREED, that the construction of the levees along Kern River and Buena Vista Slough, provided by this agreement to be constructed to control the water below the Second Point of Measurement, and lead it into Buena Vista Slough and Buena Vista Lake, and the necessary gates, weirs and other works, shall be commenced on or before the first day of September, 1888, and completed on or before the first day of March, 1889.

TWELFTH.

IT IS FURTHER AGREED, that the construction of the levees and other works provided by this agreement, to be constructed around Buena Vista Lake, shall be commenced upon not less than three (3) months' notice of a desire to have such levees constructed. Such notice may be given at any time after June 1st, 1889, by Henry Miller to James B. Haggin, or by James B. Haggin to Henry Miller, or by those of the parties of the one part who represent the majority of the acreage of the land affected by this contract held by the parties of such part to those of the parties of the other part, who represent the majority of the acreage of the lands affected by this contract, held by the parties of such other part. Said notice, however, may be waived by mutual consent of Henry Miller and James B. Haggin, or of the parties by and to whom it is provided to be given. When commenced, pursuant to such notice, the construction of said levees shall be prosecuted diligently to completion.

THIRTEENTH.

IT IS HEREBY FURTHER AGREED, that when and so long as, during the construction of the canals, levees and other works above provided to be constructed, and during the time necessary to repair any break thereof occurring subsequent to their construction, the water channels below the Second Point of Measurement, cannot be used to carry the water to which the parties of the first part would, during the months of March, April, May, June, July and August, be entitled under this agreement, the parties of the first part may take such water to the extent of the capacity of the canals through which taken, through some one or more of the following named canals, to wit:

The Goose Lake Canal,
The Wible Canal,
The Railroad Canal,
The Pioneer Canal,
The James and Dixon or Johnson Canal,
The Joyce Canal,

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as the owners thereof may arrange or agree upon between themselves, or in default thereof, as the above mentioned superintendent may equitably regulate; *provided, however,* that

no more than two of said canals shall be so used at any one time without the express consent of the owners of the other canal or canals, which the said parties of the first part may desire to so use.

IT IS ALSO AGREED, that such use of said canals by the parties of the first part shall be at no expense to the owners of said canals, and that the canal or canals so used by the parties of the first part, shall be by them kept in repair, at their own expense, during the time they are used by them for such purpose; and that if any extensions of said canals so used by said parties of the first part be necessary to enable them to convey their water to the place of use, such extension may be made by and at the expense of said parties of the first part.

But it is distinctly understood, that nothing herein shall in any manner or at any time be held or construed to give or create any vested or property rights to or in said parties of the first part, or any of them, in or to such canals, or any thereof.

FOURTEENTH.

IT IS FURTHER EXPRESSLY AGREED by the parties of the first part, that upon the due execution of this agreement by all of the parties hereto, and upon its delivery, they, the parties of the first part, will cause to be dismissed all of the suits now pending in the Superior Court of Kern County, in the Superior Court of Tulare County, in the Superior Court of Napa County, and in the Superior Court of the City and County of San Francisco, brought by any of the parties of the first part, and also all suits brought by John H. Redington, and now pending in said Courts, or in any thereof, which in any manner relate to or affect the rights of any party or parties to this agreement, in or to the water or the use of the water flowing in Kern River, Buena Vista Slough, or in Kern and Buena Vista Lakes, or the slough connecting said lakes, but such dismissal shall be made only as to the parties who may be defendants in such suits, and who shall sign this agreement, without costs to either side.

FIFTEENTH.

IT IS HEREBY FURTHER AGREED, that if any person or persons, corporation or corporations, shall divert any water from Kern River at any point above the Second Point of Measurement, then and in that event the parties of the first part, for themselves, their heirs, executors, administrators or assigns, and the parties of the second part, for themselves, their heirs, executors, administrators or assigns, agree that they will unite in such suits or proceedings as may be necessary to prevent such diversion of the water of Kern River, and that they will pay the expenses of such suits or proceedings, including necessary attorneys fees, as follows: The parties of the first part, their heirs, executors, administrators and assigns, one-half; and the parties of the second part, their heirs, executors, administrators and assigns, one-half. And in the event that any person or persons, corporation or corporations, shall commence any suit or proceeding to prevent the construction of the weirs and other works above provided to be constructed for the purpose of obtaining correct measurements of water at the points of measurement above fixed, or the levee and other works to control the flow of water from the Second Point of Measurement to Buena Vista Slough and Buena Vista Lake above provided to be constructed, or the canal above provided to be constructed from Buena Vista Lake to the head of the Kern Valley Water

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Company's Canal, then and in that event such suits shall be defended by all of the parties to this contract, their heirs, executors, administrators and assigns, and the expense of such defense, including necessary attorneys' fees, shall be paid, one-half by the parties of the first part, their heirs, executors, administrators and assigns, and one-half by the parties of the second part, their heirs, executors, administrators and assigns.

SIXTEENTH.

BUT IT IS UNDERSTOOD AND AGREED, that the rights of the parties of the first part hereto, in or to any of the canals or ditches taking water from Kern River between the First and Second Points of Measurement, are in no manner affected by this agreement; that as to such rights in such canals or ditches, they shall remain the same as though this agreement had not been made, except in so far as the rights of such canals and ditches may be affected by the fact that the amount of water they are entitled to take from Kern River is reduced by reason of the parties of the first part being conceded a fixed amount of water during six (6) months of each year—the intent hereof being that the rights in this paragraph mentioned shall be diminished in the same way and to the same extent as is provided concerning the rights of the parties of the second part in Paragraph twenty of this agreement.

SEVENTEENTH.

IT IS FURTHER MUTUALLY AGREED between the parties hereto that this agreement shall be perpetual, and shall at all times be construed as a covenant running with all the land owned or claimed by any of the parties hereto, which is situated in the following townships or portions of townships, and that any and all transfers, leases or contracts, of any kind or nature, made by any of the parties to this contract, their heirs, executors, administrators or assigns, affecting said land or any of it, shall be subject to all the provisions of this agreement.

The said townships and portions of townships are, to wit:

Township twenty-five (25) south, Ranges twenty-two (22), twenty-three (23) and twenty-four (24) east; and all of Township twenty-five (25) south, Range twenty-one (21) east, lying east of the segregation line dividing the swamp and overflowed land from the high land.

Township twenty-six (26) south, Ranges twenty-two (22), twenty-three (23), twenty-four (24) and twenty-five (25) east; and all of Township twenty-six (26) south, Range twenty-one (21) east, lying east of the segregation line dividing the swamp and overflowed land from the high land.

Township twenty-seven (27) south, Ranges twenty-two (22), twenty-three (23), twenty-four (24) and twenty-five (25) east; all of township twenty-seven (27) south, Range twenty-six (26) east, west of the road of the Southern Pacific Railroad.

Township twenty eight (28) south, Ranges twenty-two (22), twenty-three (23) twenty-four (24) and twenty-five (25) east; and all of Township twenty-eight (28) south, Range twenty-six (26) east, west and southwesterly of the road of the Southern Pacific Railroad.

Township twenty-nine (29) south, Ranges twenty-three (23), twenty-four (24), twenty-five (25), twenty-six (26), twenty-seven (27) and twenty-eight (28) east; and all of Sections one (1), two (2), three (3), ten (10), eleven (11) and twelve (12), in Township twenty-

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nine (29) south, Range twenty-two (22) east.

Township thirty (30) south, Ranges twenty-four (24), twenty-five (25), twenty-six (26), twenty-seven (27) and twenty-eight (28) east; and all of Sections one (1), two (2), eleven (11) and twelve (12), in Township thirty (30) south, Range twenty-three (23) east.

Township thirty-one (31) south, Ranges twenty-five (25), twenty-six (26), twenty-seven (27) and twenty-eight (28) east; and all of Sections one (1), twelve (12), thirteen (13), twenty-four (24), twenty-five (25) and thirty-six (36), in Township thirty-one (31) south, Range twenty-four (24) east.

All of Sections one (1) and twelve (12) in Township thirty-two (32) south, Range twenty-four (24) east; all of Township thirty-two (32) south, Range twenty-five (25) east, north of the segregation line dividing the swamp and overflowed land from the high land; all of Township thirty-two (32) south, Range twenty-six east, north of the segregation line dividing the swamp and overflowed land from the high land; all of Township thirty-two (32) south, Range twenty-seven (27) east, north of the segregation line dividing the swamp and overflowed land from the high land; all of Sections four (4), five (5), six (6), seven (7), eight (8), nine (9), seventeen (17), eighteen (18) and nineteen (19), in Township thirty-two (32) south, Range twenty-eight (28) east.

All of the Mount Diablo base and meridian.

EIGHTEENTH.

And in consideration of the premises and of five dollars to them in hand this day paid by the said parties of the second part, the said parties of the first part, for themselves, their heirs, executors, administrators and assigns, do hereby grant and convey unto the said parties of the second part, their heirs, executors, administrators and assigns, all and singular the waters, water rights, privileges and easements, to which said parties of the second part are respectively, by paragraph third of this instrument, declared entitled, or which are or are intended to be, by said paragraph, apportioned to them respectively: To have and to hold the same to the said parties of the second part, their heirs, executors, administrators and assigns, as between themselves, in the manner and to the extent provided in paragraph twenty of this instrument.

NINETEENTH.

And in consideration of the premises and of five dollars to them in hand this day paid by the said parties of the first part, the said parties of the second part, for themselves, their heirs, executors, administrators and assigns, do hereby grant and convey unto the said parties of the first part, their heirs, executors, administrators and assigns, all and singular the waters, water rights, privileges and easements, to which said parties of the first part are respectively, by paragraph third of this instrument, declared entitled, which are or are intended to be, by said paragraph, apportioned to them respectively: To have and to hold the same to the said parties of the first part, their heirs, executors, administrators or assigns, forever.

TWENTIETH.

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AND THE SAID PARTIES OF THE SECOND PART, in consideration of the premises, and of five dollars by each to the other of them this day paid, and for divers other good and

sufficient considerations, do hereby mutually covenant, grant and agree, each to and with the other, and by and for their respective heirs, executors, administrators and assigns, that with the exception of the three hundred (300) cubic feet specifically allotted to the Kern Island Irrigating Canal Company, all the water, water rights, privileges and easements assured to the parties of the second part by paragraph three of this instrument, shall vest in, belong to and be held by them respectively in the same manner and proportions, and with the same priorities, as they now own and hold the waters of Kern River, and all water rights and privileges therein or connected therewith. That is to say, that the present rights of each of said parties shall be respectively and proportionately, and without regard to priority, diminished so as to make each contribute pro rata to the amount by this instrument allotted to the parties of the first part; and to the said three hundred (300) cubic feet allotted to the Kern Island Irrigating Canal Company. The true intent and meaning of this clause being that whenever there is not enough water to supply to said parties of the second part the amounts to which they would be respectively entitled if there were no rights to the waters of said river except the rights of said parties of the second part, as they existed prior to this agreement, and also to supply to the parties of the first part all the water by this instrument allotted to them, and to supply the said three hundred (300) cubic feet allotted to the Kern Island Irrigating Canal Company, then the rights to said water of said parties of the second part shall severally and respectively be diminished so that the aggregate diminution shall exceed by three hundred (300) cubic feet the amount necessary to supply said parties of the first part; and so that the rights of said parties of the second part shall each be diminished in the proportion that the amount of water to which each would have been entitled but for this agreement, and in the absence of any other rights but theirs to said waters, bears to the aggregate amount of water to which all said parties of the second part would have been so entitled.

TWENTY -FIRST.

IT IS FURTHER AGREED, between the parties hereto, that the part or proportion of all original outlays and expenses for constructing, and for four years next after the date hereof, maintaining the levees and other works in this agreement above provided to be paid by the parties of the first part, shall be advanced and paid for and on account of said parties of the first part by said Henry Miller.

TWENTY -SECOND.

IT IS FURTHER AGREED, between the parties hereto, and especially between the parties of the second part, that the part or proportion of all original outlays and expenses of constructing, and for four years next after the date hereof, maintaining the levees and other works in this agreement above provided to be paid by the parties of the second part, shall be advanced and paid for and on account of said parties of the second part by said James B. Haggin, one of the parties of the second part; and each of the others of the said parties of the second part for himself, his heirs, executors, administrators and assigns, hereby severally and expressly covenants and agrees with said Haggin, that in consideration of said Haggin's undertaking to advance such sums of money for and on his account, he will reimburse and repay to the said Haggin, his heirs, executors, administrators and assigns, on demand, his full part and proportion of all sums of money so advanced, together with legal interest on each several amount so advanced or paid out, from the date thereof until

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paid. The said proportion of such advances to be so repaid to said Haggin by said several and respective parties of the second part, to be estimated and computed as follows, to wit: As the rights to or interests in the waters of Kern River of each such party of the parties of the second part respectively are to the whole or aggregate of the rights or interests of all the parties of the second part in and to the waters of said river, so shall the part or proportion to be repaid said Haggin be to the whole amount paid out by said Haggin for or on account of the parties of the second part.

TWENTY-THIRD.

IT IS FURTHER DISTINCTLY UNDERSTOOD AND AGREED, by and between the parties hereto, that whereas, by paragraph seventeen above, the terms, covenants and conditions of this agreement are expressly declared to run with the lands in said paragraph described, all personal liability hereunder imposed, shall be deemed and held the liability of the persons owning, holding or claiming said lands or interest therein at the time such liability shall accrue; and any party hereto parting with his ownership of or interest in said lands, or any thereof, shall thenceforth and forever thereafter be freed, released and discharged from all and every liability thereafter to accrue, to the extent and in the proportion that the lands or interests in lands so parted with by him bear to the whole amount of such lands or interests in lands theretofore owned, held or claimed by him.

TWENTY-FOURTH.

IT IS FURTHER AGREED, between the parties hereto, that wheresoever above in this agreement, any discretion, power or authority is given or conferred upon Henry Miller, for and on account of the parties of the first part, such and the same discretion, power and authority, and to the same extent and for the same purposes, may, in the event of the death of said Henry Miller, or in the event that the said Henry Miller shall cease to be the largest owner or holder amongst said parties of the first part of the lands and interests in lands affected by this agreement, be used and exercised by such other of the said parties of the first part who shall for the time being be the largest owner or holder amongst said parties of the first part of said lands and interests in lands affected by this agreement.

TWENTY-FIFTH.

IT IS FURTHER AGREED, between the parties hereto, that wheresoever above in this agreement, any discretion, power or authority is given or conferred upon James B. Haggin, for and on account of the parties of the second part, such and the same discretion, power and authority, and to the same extent and for the same purposes, may, in the event of the death of said Haggin, or in the event that said Haggin shall cease to be the largest owner or holder amongst said parties of the second part of the lands and interests in lands affected by this agreement, be used and exercised by such other of the said parties of the second part who shall for the time being be the largest owner or holder amongst said parties of the second part of said lands and interests in lands affected by this agreement.

TWENTY-SIXTH.

IT IS AGREED, by and between the parties hereto, that when and as the parties of the first part shall sign or cause to be signed this agreement, they shall place the same, so signed, in the hands of Henry Miller, to be by him, for and on behalf of said parties of

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the first part, delivered to the parties of the second part, whensoever said Miller shall himself sign and deliver such agreement for and on his own behalf. Such delivery may be made to and received by James B. Haggin, for and on behalf of said parties of the second part. Also, that when and as the parties of the second part shall sign or cause to be signed this agreement, they shall place the same, so signed, in the hands of James B. Haggin, to be by him for and on behalf of said parties of the second part, delivered to the parties of the first part, whensoever said Haggin shall himself sign and deliver such agreement for and on his own behalf. Such delivery may be made to and received by Henry Miller, for and on behalf of said parties of the first part.

IN WITNESS WHEREOF, the parties hereto of the first and second parts, other than the corporations above named, have hereunto set their hands and seals, this twenty-eighth day of July A. D. 1888. And the said corporations, parties hereto, have each respectively, on said last mentioned date, caused their corporate names to be hereunto subscribed and their corporate seals to be hereunto affixed by their respective Presidents and Secretaries, thereunto first duly authorized; all done in duplicate.

Kern Valley Water Company,
(Corporate Seal). By Jesse S. Potter, President,
By C. L. Merritt, Secretary.

Kern River Land and Canal Company,
(Corporate Seal). By A. E. Davis, President,
By Irwin C. Stump, Secretary.

Stine Canal Company,
(Corporate Seal). By F. H. Colton, President,
By Alex. Mills, Secretary.

Kern River Water and Irrigating Company,
(Corporate Seal). By Sol. Jewett, President,
By Alex. Mills, Secretary.

Anderson Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Gates Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Buena Vista Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

James Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Plunkett Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

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Goose Lake Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Pioneer Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

James and Dixon Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Joyce Canal Company,
(Corporate Seal). By L. Crusoe, President,
By Alex. Mills, Secretary.

Farmers Canal Company,
(Corporate Seal). By Geo. G. Carr, President,
By Alex. Mills, Secretary.

Kern Island Irrigating Canal Company,
(Corporate Seal). By Geo. G. Carr, President,
By Alex. Mills, Secretary.

G. N. Cornwell (Seal).
Frederick Cox (Seal).
Horatio Stebbins (Seal).
Jesse S. Potter (Seal).
C. W. Clark (Seal).

Henry Miller, surviving partner of the
late firm of Miller & Lux (Seal).

Miranda W. Lux, by her Attorney in
Fact, Jesse S. Potter (Seal).

Bloomfield Land Association,
J. M. Rothchild, President,
L. Slessinger, Secretary.

Philip Lux, by his Attorney in Fact,
Henry Lux (Seal).

Barbara Lux, by her Attorney in Fact,
Henry Lux (Seal).

Dorothea Roehrig (formerly Lux), by
her Attorney in Fact, Henry Lux (Seal).

George Lux, by his Attorney in Fact,
Henry Lux (Seal).

Henry Lux (Seal).

Chas. H. Lux (Seal).

Lizzie M. Lux (Seal).

Lena B. Lux (Seal).

Henry Miller and Jesse S. Potter, Exe-
cutors of the last will and testa-
ment of Charles Lux, deceased. (Seal).

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Philo Jewett, by S. Jewett, Attorney in Fact	(Seal).
F. H. Colton	(Seal).
E. M. Roberts	(Seal).
Geo. G. Carr	(Seal).
W. B. Carr	(Seal).
H. L. Borgwardt, Jr.	(Seal).
Alex. Mills	(Seal).
L. S. Rogers	(Seal).
A. Tyler	(Seal).
R. N. Ferguson	(Seal).
H. F. Laird	(Seal).
W. L. Dixon	(Seal).
H. H. Fish	(Seal).
M. S. Nelson	(Seal).
C. C. Pierce	(Seal).
F. D. Nelson	(Seal).
G. W. Pierce	(Seal).
Chas. Beuterbaugh	(Seal).
E. Eccleston	(Seal).
I. W. Harbaugh	(Seal).
Susan Pensinger, administratrix of the estate of Jerry Pensinger, deceased	(Seal).
John A. Fry	(Seal).
R. E. Houghton	(Seal).
Ezra Chaffee	(Seal).
Warren Olney	(Seal).
E. J. Wareham	(Seal).
W. E. Houghton	(Seal).
Geo. C. Smart	(Seal).
Edw. Gray Stetson	(Seal).
G. P. Laird	(Seal).
C. C. Stockton	(Seal).
F. J. Laird	(Seal).
John M. Keith	(Seal).
Geo. Dagget	(Seal).
S. A. Pindar	(Seal).
S. Jewett	(Seal).
Kern Valley Bank	
(Corporate Seal)	By S. Jewett, its President
I. N. King	(Seal).
P. D. Jewett	(Seal).
Charles Kerr	(Seal).
R. McDonald	(Seal).
John E. Bailey	(Seal).

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J. C. Roberts	(Seal).
D. G. McLean	(Seal).
W. W. Frazier	(Seal).
Frank Howell	(Seal).
Peter McCaffrey	(Seal).
H. A. Blodget	(Seal).
M. W. Morris	(Seal).
Isaac Jameson	(Seal).
Rosetta Bull	(Seal).
D. B. Hurlbut	(Seal).
C. E. Coughran	(Seal).
S. W. Wible	(Seal).
J. J. Darnul	(Seal).
C. W. Duvall	(Seal).
A. P. Bernard	(Seal).
T. C. Owens	(Seal).
I. D. Thronsen, Administratrix of the Estate of Otto Thronsen, deceased	
Henry Miller	(Seal).
J. B. Haggin	(Seal).
Lloyd Tevis	(Seal).
Samuel B. Kingsley	(Seal).

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In the Superior Court of the County of Kern, State of California.

.....
Farmers Canal Company, Pioneer Canal Company,
Buena Vista Canal Company, Kern Island Irrigating Canal Company, James Canal Company, Anderson Canal Company, Stino Canal Company, Plunkett Canal Company, Leachem Canal Company, James & Dixon Canal Company, Joico Canal Company, Kern River Canal and Irrigating Company, and Central Canal Company,

(Plaintiffs)

-vs.-

J. R. Simmons, Henry Miller, Henry Miller as surviving partner of the late firm of Miller & Lux, Miller & Lux (a Corporation), Bloomfield Land Association (a corporation), George Krafts, Solomon Jewett, Philo D. Jewett, H. H. Fish, George Darrett, E. A. Blodgett, Celia Holtby, Celia Holtby as Administratrix of the estate of L. M. Holtby, deceased, P. E. Stark, Lida Reed, Virginia Stark, Frances Backard, Ella Stoner, May Stark, Wible Orchard & Vineyard Company, Charles Herr, Wilmot Lowell, (Defendants), and William S. Tavis, Balfour, Guthrie Investment Company, Kern County Land Company, Kern County Canal and Water Company, Lowell Land and Improvement Company, (Defendants to the Cross Complaint of Miller & Lux,

.....
DECREE.

This cause having been regularly tried before the Court without a jury, Messrs. E. J. McCutchen and F. W. Bennett appearing as attorneys for the plaintiffs; Messrs. Houghton & Houghton appearing as attorneys for the defendants Henry Miller, Henry Miller as surviving partner of the late firm of Miller & Lux, and for Miller & Lux, a corporation, substituted as defendant instead of the two defendants named next before said Miller & Lux; Mr. C. W. Willard appearing for the Balfour, Guthrie Investment Company, Kern County Land Company, Lowell Land and Improvement Company and William S. Tavis, and Mr. J.W.P. Laird appearing for the Kern County Canal and Water Company, which was substituted as defendants instead of the Bloomfield Land Association, George Krafts, J. R. Simmons, Celia Holtby, Celia Holtby as administratrix of the estate of L. M. Holtby, deceased,

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1 Frances Packard, P. E. Stark, Virginia Stark, May Stark, Ella
2 Stoner, H. A. Blodgett, Lida Reed, Solomon Jewett, H. H. Fish,
3 George Daggett and Wilmot Lowell, and Mr. J. C. Campbell appearing
4 for said Wible Orchard & Vineyard Company, Charles Kerr and
5 Philo D. Jewett, and the other parties to this action failing
6 to appear, and the Court, after hearing the evidence and the
7 argument of counsel, and having filed its decision in writing
8 upon the issues submitted, now therefore, IT IS ORDERED, ADJUDGED
9 AND DECREED BY THE COURT:

10 1. That said Meacham Canal Company take nothing by this action,
11 and that as to said plaintiff this action is dismissed.

12 2. That the plaintiff Farmers Canal Company is the owner of a
13 certain water ditch or canal known as the Farmers Canal, with
14 the lateral branches thereof, which said canal commences on the
15 South bank of Kern River, in Kern County, State of California,
16 subject to the rights, as hereinafter decrees, of the defendants
17 Wible Orchard & Vineyard Company, Charles Kerr, Philo D. Jewett,
18 and Miller & Lux to have water conducted to their lands thereby;
19 that said Pioneer Canal Company is the owner of that certain
20 water ditch or canal known as the Pioneer Canal, with the lateral
21 branches thereof, which said canal commences on the north bank
22 of said Kern River; that said Buena Vista Canal Company is the
23 owner of that certain water ditch or canal known as the Buena
24 Vista Canal, with the lateral branches thereof, which said
25 canal commences on the South Bank of said Kern River; that
26 said Kern Island Irrigating Canal Company is the owner of that
27 certain water ditch or canal known as the Kern Island Irrigating
28 Canal, with the lateral branches thereof, which said canal commences
29 on the South Bank of said Kern River; that said James Canal Company
30

1 is the owner of that certain water ditch or canal known as the
2 James Canal, with the lateral branches thereof, which said
3 canal commences on the South bank of said Kern River; that
4 said Anderson Canal Company is the owner of that certain water
5 ditch or canal known as the Anderson Canal, with the lateral
6 branches thereof, which said canal commences on the South Bank
7 of said Kern River; that the said Stine Canal Company is the
8 owner of that certain water ditch or canal known as the Stine Canal
9 with the lateral branches thereof, which said canal commences on
10 the South Bank of the said Kern River; that the said Plunkett Canal
11 Company is the owner of that certain water ditch or canal known
12 as the Plunkett Canal, with the lateral branches thereof, which
13 said canal commences on the South bank of said Kern River;
14 that the said James & Dixon Canal Company is the owner of that
15 certain water ditch or canal known as the James & Dixon Canal, with
16 the lateral branches thereof, which said canal commences on the
17 North Bank of said Kern River; that the said Joice Canal Company
18 is the owner of that certain water ditch or canal known as the
19 Joice Canal, with the lateral branches thereof, which said
20 canal commences on the north bank of said Kern River; that
21 the said Kern River Canal & Irrigating Company is the owner
22 of that certain water ditch or canal known as the Beardusley
23 Canal, with the lateral branches thereof, which said canal
24 commences on the North bank of said Kern River; that the said
25 Central Canal Company is the owner of that certain water ditch
26 or canal known as the Callaway Canal, with the lateral branches
27 thereof, which said canal commences on the North Bank of said
28 Kern River.

29 2. That said Farmers Canal Company is and ever since the 30th
30 day of April, 1875, (subject to the rights of other parties hereto
31 herein decreed to be prior rights) has been the owner of and
entitled to divert and appropriate from said Kern River, by means.

of and through its said canal, one hundred and fifty cubic feet per second of the waters of said river, and that each of the said defendants herein be and they are hereby forever enjoined and prohibited from in any manner or by any means or agency, constructing, hindering or interfering with the use and enjoyment by said plaintiff of its rights aforesaid and herein described and declared, except as in this decree particularly stated.

3. That said Pioneer Canal Company is and has been ever since the first day of August, 1875 (subject to the rights of others parties herein declared to be prior rights) the owner of and entitled to divert and appropriate from said Kern River by means of and through its said canal, one hundred and thirty cubic feet per second of the waters of said river, and that each of the defendants hereby be and they are hereby forever enjoined and prohibited from in any manner or by any means or agency, constructing, hindering or interfering with the use and enjoyment by said plaintiff of its right aforesaid and herein described and declared except as in this decree particularly stated.

4. That the said Buena Vista Canal Company is and has been ever since the 15th day of July, 1870 (subject to the rights of other parties hereto herein declared to be prior rights) the owner of and entitled to divert and appropriate from said Kern River by means of and through its said canal, eighty cubic feet per second of the waters of said river, and that each of the defendants herein be and they are hereby forever enjoined and prohibited from in any manner or by any means or agency obstructing, hindering or interfering with the use and enjoyment by said plaintiff of its said right aforesaid and herein described and declared, except as in this decree particularly stated.

5. That the said Kern Island Irrigating Canal Company is and has been ever since the first day of January, 1870, the owner of and entitled to divert and appropriate from said Kern River by means of and through its said canal three hundred cubic feet per second of the waters of said river, and that each of the

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defendants be and they are hereby forever enjoined and prohibited
from in any manner or by any means or agency obstructing,
1 hindering or interfering with the use and enjoyment by said
2 plaintiff of its right aforesaid and herein described and declared
3 and the right of ^{the} said plaintiff is hereby declared to be prior
4 and paramount to the rights of any and all of the parties to this
5 action.

6 Said Kern Island Irrigating Canal Company is also the
7 owner and entitled to divert and appropriate from said Kern
8 River by means of and through its said canal fifty-six cubic
9 foot per second, of the waters of said river in addition to the
10 said three hundred cubic feet per second last above mentioned
11 and ~~is~~ such right is subject to the rights of the other parties
12 to this action as herein decreed and established, and that each
13 of the defendants herein be and they are hereby forever enjoined
14 and prohibited from in any manner or by any means or agency
15 obstructing, hindering or interfering with the use and enjoyment
16 by said plaintiff of its last above named right, except as in
17 this decree particularly stated.

18 6. That said James Canal Company is and has been ever since
19 the 15th day of October, 1871 (subject to the rights of other
20 parties hereto herein declared to be prior rights) the owner of
21 and entitled to divert and appropriate from said Kern River by
22 means of and through its said canal, one hundred and twenty cubic
23 feet per second of the waters of said river, and that each of
24 the defendants herein be and they are hereby forever enjoined
25 and prohibited from in any manner or by any means or agency,
26 obstructing, hindering or interfering with the use and enjoyment
27 by said plaintiff of its right aforesaid and herein described
28 and declared, except as in this decree particularly stated.

29 7. That said Anderson Canal Company (subject to the rights
30 of other parties hereto herein declared to be prior rights)
and ever since the 9th day of October, 1872, has been

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of and entitled to divert and appropriate from said Kern River,
by means of and through its said canal twenty cubic feet per
second of the waters of said river, and is and has been ever since
1 March, 1974 the owner of and entitled to divert and appropriate
2 from said Kern River by means of and through its said canal ten
3 additional cubic feet per second of the waters of said river,
4 making in all from said last mentioned date thirty cubic feet
5 per second of the waters of said river, and that each of the
6 defendants be and they are hereby forever enjoined and prohibited
7 from in any manner or by any means or agency obstructing,
8 hindering or interfering with the use and enjoyment by said
9 plaintiff of its right aforesaid and herein described and
10 declared, except as in this decree particularly stated.
11

8. That said Stine Canal Company is and has been ever since
12 the 15th day of December, 1972 (subject to the rights of other
13 parties hereto herein declared to be prior rights) the owner of
14 and entitled to divert and appropriate from said Kern River by
15 means of and through its said canal one hundred and fifty cubic
16 feet per second of the waters of said river, and that each of
17 the defendants herein be and they are hereby forever enjoined and
18 prohibited from in any manner or by any means or agency, obstructing,
19 hindering or interfering with the use and enjoyment by said
20 plaintiff of its right aforesaid, and herein described and
21 declared, except as in this decree particularly stated.
22

9. That the said Blunkett Canal Company is and has been ever
23 since the first day of June, 1875 (subject to the rights of other
24 parties hereto, herein declared to be prior rights) the owner of
25 and entitled to divert and appropriate from said Kern River by
26 means of ^{and through} its said canal, forty cubic feet per second of the waters
27 of said river, and that each of the defendants herein be and they
28 are hereby forever enjoined and prohibited from in any manner
29 or by any means or agency, obstructing, hindering or interfering
30 with the use and enjoyment by said plaintiff of its right aforesaid

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and herein described and declared, except as in this decree particularly stated.

1 10. That the said James & Dixon Canal Company is and has been
2 ever since the first day of January, 1874 (subject to the rights
3 of other parties hereto herein declared to be prior rights)
4 the owner of and entitled to divert and appropriate from said Kern
5 River by means of and through its said canal forty cubic feet
6 per second of the waters of said river, and that each of the
7 defendants herein be and they are hereby forever enjoined and
8 prohibited from in any manner or by any means or agency, obstruct-
9 ing, hindering or interfering with the use and enjoyment by
10 said plaintiff, of its right aforesaid and herein described and
11 declared, except as in this decree particularly stated.

12 11. That the said Joice Canal Company is and has been ever since
13 the 2nd day of June, 1876. (subject to the rights of other parties
14 hereto herein declared to be prior rights) the owner of and
15 entitled to divert from said Kern River by means of and through
16 its said canal forty cubic feet per second of the waters of said
17 river, and that each of the defendants ^{herein} be and they are hereby
18 forever enjoined and prohibited from in any manner or by any means
19 or agency, obstructing, hindering or interfering with the use
20 and enjoyment by said plaintiff of its right aforesaid, and herein
21 described and declared, except as in this decree particularly
22 stated.

23 12. That the said Kern River Canal & Irrigating Company
24 (subject to the rights of other parties hereto herein declared
25 to be prior rights) is and has been ever since the 2nd day of
26 December, 1873, the owner of and entitled to divert and appropriate
27 from said Kern River, by means of and through its said canal,
28 sixty cubic feet per second of the waters of said river, and is
29 ^{has been} and/over since the year 1882 the owner of and entitled to divert
30 and appropriate from said Kern River by means of and through
its said canal one hundred and fifteen cubic feet per second

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1 additional of the waters of said river, and is and has been ever
2 since the year 1891 the owner of and entitled to divert and
3 appropriate from said Kern River by means of and through its
4 said canal, one hundred and twenty-five cubic feet per second
5 additional of the waters of said river, making in all from said
6 last mentioned date three hundred cubic feet per second of the
7 waters of said river, and that each of the defendants herein
8 be and they are hereby/enjoined and prohibited from in any manner
9 or by any means or agency, obstructing, hindering or interfering
10 with the use and enjoyment by said plaintiff of its right afore-
11 said, and herein described and declared, except as in this decree
12 particularly stated.

13 13. That the said Central Canal Company is and has been ever
14 since the 4th day of May, 1875 (subject to the rights of other
15 parties hereto herein declared to be prior rights) the owner
16 of and entitled to divert and appropriate from said river, by
17 means of and through its said canal, eight hundred and sixty
18 cubic feet per second of the waters of said river, and that each
19 of the defendants herein be and they are hereby forever enjoined
20 and prohibited from in any manner or by any means or agency,
21 obstructing, hindering or interfering with the use and enjoyment
22 by said plaintiff of its right aforesaid and herein described and
23 declared, except as in this decree particularly stated.

24 14. That the right of each of said plaintiffs to divert and
25 appropriate said waters includes the right to use the same and
26 furnish the same to others to be used for domestic, agricultural,
27 stock, mechanical and manufacturing purposes, but not to suffer the
28 same to be wasted, and that as between themselves when there is
29 not sufficient water available for all of said plaintiffs, the
30 order of right and priority shall be as follows:-

First: The right of the Kern Island Irrigating Canal Company
to three hundred cubic feet per second.

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Second The right of Buena Vista Canal Company to eighty cubic feet per second.

Third: The right of James Canal Company to one hundred and twenty cubic feet per second.

Fourth: The right of Anderson Canal Company to its first twenty cubic feet per second.

Fifth: The right of Stone Canal Company to one hundred and fifty cubic feet per second.

Sixth: The right of Farmers Canal Company to one hundred and fifty cubic feet per second.

Seventh: The right of Blunkett Canal Company to forty cubic feet per second.

Eighth: The right of Joice Canal Company to forty cubic feet per second.

Ninth: The right of Pioneer Canal Company to one hundred and thirty cubic feet per second.

Tenth; The right of Horn River Canal & Irrigating Company to its first sixty cubic feet per second.

Eleventh: The right of James & Dixon Canal Company to forty cubic feet per second.

Twelfth: The right of Anderson Canal Company to its additional ten cubic feet per second.

Thirteenth: The right of Central Canal Company to its eight hundred and fifty cubic feet per second.

Fourteenth: The right of Horn River Canal & Irrigating Company to its additional two hundred and forty cubic feet per second.

Fifteenth; The right of Horn Island Irrigating Canal Company to its additional fifty six cubic feet per second.

15. That nothing in any part of this decree shall be taken or construed to affect or impair any right which any party hereto may have subordinate to the rights of plaintiffs to take and receive water from any of the plaintiffs through any of their said canals, and under the rules and regulations of such plaintiff unless it is expressly so declared herein.

16. That the said defendant Wible Orchard and Vineyard Company
1 is the owner of and entitled to have and receive of the waters of
2 Kern River sufficient water for the irrigation of and for domestic
3 use and the watering of stock on lands in the County of Kern,
4 State of California, described as the north half of the north half
5 and the southeast quarter of the northwest quarter of section 14,
6 containing two hundred acres more or less, all in Township 30
7 South, Range 27 East, Mount Diablo Base & Meridian, to be taken or
8 delivered from Panama Slough, at some point below where the Farmers
9 Canal Company begins to use the said slough as a part of its canal
10 and to be delivered by the said Farmers Canal Company or taken by
11 said Wible Orchard & Vineyard Co. from said river through said
12 Farmers Canal, and to be taken or delivered at said land or ditch
13 of said defendant in heads of not less than five nor more than
14 eight cubic feet per second at the option of said defendant, at
15 such times and for such periods as may be necessary by the use of
16 reasonable means and diligence for the reasonable irrigation of
17 said land and no longer, and only while so used, and in the meantime
18 to take or receive from and through said Farmers canal so much of
19 such water only as may be ^{reasonably} necessary for domestic use and for the
20 watering of stock upon said land, and only while so used or while
21 necessary for said uses; the said water in no case to exceed the
22 equivalent of a continuous flow of one and one-fourth cubic feet
23 per second and to be apportioned at the rate of one cubic foot per
24 second for each one hundred and sixty acres thereof. Said right
25 shall be at all times subject and subordinate to the right of the
26 Kern Island Irrigating Canal Company to take, divert and appropriate
27 from said river three hundred cubic feet per second of the waters
28 thereof and to the rights of Miller & Burr to have delivered at the
29 second point of measurement provided for in the contract dated July
30 28, 1888, set forth at length in said findings and known as the
31 "Miller-Maggin contract", the full one-third, without diminution
of all water flowing in said river during the months of March,

1 April, May, June, July and August of each year at the first point
2 of measurement provided for in said contract in excess of the three
3 hundred cubic feet per second thereof belonging to said said Kern
4 Island Irrigating Canal Company and said right of said defendant
5 is co-equal with the right of its co-defendants Charles Kerr
6 Philo D. Jewett, and Miller & Lux to water for use on lands along
7 and near Panama Slough as herein decreed. But the said right of
8 said defendant is prior and paramount to all the other rights to
9 the waters of the Kern River herein decreed and established and
10 each and every of the parties to this action is hereby forever
11 enjoined from in any manner or by any means or agency, interfering
12 with, hindering or obstructing or impairing the right of said
13 Wible Orchard & Vineyard Co. to the water of said river as herein
14 decreed, and described, and according to the priority herein decreed
15 and established; and in the event that the surplus, after the
16 rights of the said two parties are supplied is not sufficient to
17 supply the water herein decreed to the said defendant and to its
18 co-defendants Charles Kerr, Philo D. Jewett and Miller & Lux, for
19 use on lands along and near Panama Slough, then the share of said
20 defendant thereof is declared to be in the proportion of five to
21 forty-two, and that said defendant has no interest in or right to
22 use said Panama Slough above its junction with said Farmers
23 Canal on section 25, Township 30 south, Range 27 East, nor any
24 interest in or right to said South Fork Channel.

25 17. That the defendant Charles Kerr is the owner of and entitled
26 to have and receive of the waters of Kern River sufficient water
27 for the irrigation of and for domestic use and the watering of
28 stock on, the lands in Kern County, State of California, described
29 as the southwest quarter of the southwest quarter and the southwest
30 quarter of the northwest quarter and the north half of the southwest
31 quarter of Section 14, in Township 30 south, Range 27 East, Mount
Diablo Base and Meridian, containing one hundred and sixty acres

1 more or less, to be taken or delivered from Panama Slough at some
2 point below where the Farmers Canal Company begins to use said
3 slough as a part of its canal, and to be delivered by said Farmers
4 Canal Company or taken by said Charles Kerr from said river through
5 said Farmers Canal and to be taken or delivered at said land or
6 ditch of said defendant in heads of not less than five nor more than
7 eight cubic feet per second, at the option of said defendant, at such
8 times and for such periods as may be necessary by the use of
9 reasonable means and diligence for the reasonable irrigation of said
10 land and no longer, and ^{only} while so used, and in the meantime to have,
11 take or receive from and through said Farmers Canal ~~temporarily~~ so
12 much of said water only as may be reasonably necessary for domestic
13 use and for the watering of stock upon said land, and only while so
14 used or while necessary for such uses; the said water in no case
15 to exceed the equivalent of a continuous flow of one cubic foot per
16 second. The said right shall be at all times subject and subor-
17 dinate to the right of the Kern Island Irrigating Canal Company
18 to take, divert and appropriate from said river three hundred cubic
19 feet per second of the waters thereof, and to the rights of Miller &
20 Lux to have delivered at the second point of measurement provided
21 for in the contract dated July 28, 1888 set forth at length in said
22 Findings and known as the "Miller-Haggin contract", the full one-
23 third, without diminution of all water flowing in said river during
24 the months of March, April, May, June, July and August of each year
25 at the first point of measurement provided for in said contract in
26 excess of the three hundred cubic feet per second thereof belonging
27 to the Kern Island Irrigating Canal Company and said right of said
28 defendant is co-equal with the right of his co-defendants Wible
29 Orchard & Vineyard Co, Philo D. Jowett, ^{and} Miller & Lux, to water for
30 use on lands along and near Panama Slough as herein decreed. But
31 the said right of said defendant is prior and paramount to all the
other rights to the waters of Kern River herein decreed and

established, and each and every one of the parties to this action is hereby forever enjoined from in any manner or by any means or agency interfering with, hindering, obstructing or impeding the right of the said Charles Kerr to the water of said River as herein decreed and described, and according to the priority herein decreed and established; and in the event that the surplus after the rights of said two parties are supplied is not sufficient to supply the water herein decreed to said defendant and to his co-defendants, Noble Orchard & Vineyard Co., Philo D. Jewett and Miller & Lux for use on lands along and near Panama Slough, then said defendants share thereof is declared to be in the proportion of four to one interest in or forty-two. And that said defendant has no right to use said Panama Slough above its said junction with said Farmers Canal nor any interest in or right to said South Fork Channel.

That the said defendant Philo D. Jewett is the owner of and entitled to have and receive of the waters of Kern River, sufficient water for the navigation of and for domestic use and the watering of stock on the lands in the County of Kern, State of California, described as the south half of the northeast quarter, the southeast quarter of the southwest quarter and the whole southeast quarter of Section 14, in Township 30 south, Range 27 East, Mount Diablo Base and Meridian, containing two hundred and eighty acres more or less, to be taken or delivered from Panama Slough at some point below where said Farmers Canal Company begins to use said slough as a part of its canal, and to be delivered by the said Farmers Canal Company or taken by said Philo D. Jewett from said river through said Farmers Canal and to be taken or delivered at said lands or to the use of said defendant in heads of not less than five nor more than eight cubic feet per second, at the option of said defendant at such times and for such periods as may be necessary by the use of reasonable means and diligence for the reasonable irrigation of said land and no longer, and only while so used, and in the meantime to take or receive from and through said Farmers Canal so much of

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such water only as may be reasonably necessary for domestic use
and for the watering of stock upon said land, and only while so
used or while necessary for said uses; the said water in no case
to exceed the equivalent of the continuous flow of one and three
fourths cubic feet per second and to be apportioned at the rate of
one cubic foot per second for each one hundred and sixty acres
thereof. The said right shall be at all times subject and
subordinate to the right of the Kern/^{Island}Irrigating Canal Company
to take, divert and appropriate from said river three hundred cubic
feet per second of the waters thereof, and to the rights of
Miller & Lux to the delivery at the second point of measurement
provided for in the contract dated July 25, 1888 set forth at length
in said Findings, and known as the "Miller-Morgan contract"
the full one-third without diminution of all the water flowing in
said river during the months of March, April, May, June, July and
August of each year at the first point of measurement provided for
in said contract in excess of the three hundred cubic feet per
second thereof belonging to said Kern Island Irrigating Canal
Company and said right of said defendant is co-equal with the right
of his co-defendants Wible Orchard & Vineyard Co., Charles Kerr
and Miller & Lux to the water for use on land along and near
Pawnee slough as herein decreed. But the said right of said defend-
ant is prior and paramount to all the other rights to the waters
of Kern River herein decreed and established, and each and every
one of the parties to this action is hereby forever enjoined from
in any manner or by any means or agency interfering with, hindering,
obstructing or impairing the right of said Philo D. Jewett to the
water of said river as herein decreed and described and according
to the priority herein decreed and established; and in the event
that ^{the} surplus, after the rights of said two parties are supplied
is not sufficient to supply the water herein decreed to said
defendant, and to his co-defendants, Charles Kerr, Wible Orchard
& Vineyard Co., and Miller & Lux for use on said lands along and

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1 near Panama Slough then said defendant's share thereof is
2 declared to be in the proportion of seven to forty-two, and that
3 said defendant has no interest in or right to use said Panama Slough
4 above its said junction with said Farmers Canal nor any interest in
5 nor right to said South Fork Channel.

6 19. That the defendant Miller & Lux, a corporation is the
7 owner of and entitled to have and receive of the waters of Kern
8 River sufficient water for irrigation of and for domestic use and
9 the watering of stock on lands in Kern County, State of California,
10 described as the southeast quarter and the east half of the south-
11 west quarter of Section 22, and southwest quarter of Section 23, and
12 the whole of Section 26, all in Township 30 south, Range 27 East,
13 Mount Diablo Base & Meridian, and containing One thousand and forty
14 acres more or less, to be taken or delivered from Panama Slough
15 at some point below where said Farmers Canal ^{Join. City} begins to use said
16 slough as a part of its canal, and to be delivered by the said
17 Farmers Canal Company or taken by said Miller & Lux from said river
18 through said Farmers canal and to be taken or delivered at said
19 lands or ditch of said defendant in loads of not less than five nor
20 more than eight cubic feet per second, at the option of said
21 defendant, at such times and for such periods as may be necessary
22 by the use of reasonable means and diligence for the reasonable
23 irrigation of said land, and no longer and only while so used, and
24 in the meantime to have, take or receive from and through said
25 Farmers Canal so much of such water only as may be reasonably
26 necessary for domestic use and for the watering of stock on said
27 land and only while so used ^{or} while necessary for said use; the said
28 water in no case to exceed the equivalent of a continuous flow
29 of six and one-half cubic feet per second and to be apportioned
30 at the rate of one cubic foot per second for each one hundred and
31 sixty acres thereof. Said right shall be at all times subject and
subordinate to the right of Kern Island Irrigating Canal Company
to take, divert and appropriate from said river three hundred cubic

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1 feet per second of the waters thereof, and to the rights of Miller
2 & Lux to have delivered at the second point of measurement provided
3 for in the contract dated July 28, 1888 set forth at length in
4 said findings, and known as the "Miller-Lux contract" the full
5 one-third, without diminution of all the water flowing in said
6 river during the months of March, April, May, June, July and August
7 of each year, at the first point of measurement provided for in
8 said contract, in excess of three hundred cubic feet per second
9 thereof belonging to said Kern Island Irrigating Canal Company
10 and said right of said defendant is co-equal with the rights of
11 its co-defendants Charles Marx, Philo L. Jewett and Wible Orchard
12 & Vineyard Co., to water for use on lands along and near Panama
13 Slough, as herein decreed. But the ^{said} right of said defendant is
14 prior and paramount to all the other rights to waters of Kern
15 river herein decreed and established; and each and every of the
16 parties to this action is hereby forever enjoined from in any
17 manner or by any means or agency interfering with, hindering,
18 obstructing or impairing the right of said Miller & Lux to the water
19 of said Kern River as herein decreed and described, and according
20 to the priority herein decreed and established; and in the event
21 that the surplus after the rights of said two parties are supplied
22 is not sufficient to supply the water herein decreed to said
23 defendant and to its co-defendants Charles Marx, Philo L. Jewett,
24 and Wible Orchard & Vineyard Co., for use on lands along and near
25 Panama Slough, then the share of said defendant thereof is declared
26 to be in the proportion of twenty-six to forty-two. And that said
27 defendant has no interest in or right to use said Panama Slough
28 above its said junction with said Farmers Canal nor any interest in
29 or right to said South Fork Channel.

30 20. This decree is not to be construed as defining or determining
31 the rights of any of the parties in or to the waters of Kern River
which the owners of Castro Ditch or canal and the Record Canal or

any other canal not herein mentioned, are entitled to divert
1 thereby, and the rights of any party hereto as owner of an interest
2 in said Castro Ditch or McCord Canal or ^{any} other canal not herein
3 mentioned, and the waters which the owners thereof claim the right
4 to divert thereby shall ^{be} in no wise affected by any of the provisions
5 of this decree, and nothing contained in this decree shall be
6 construed to fix or define the rights of Miller & Lux ^{as} successors
7 of certain of the parties of the first part named in such "Miller-
8 Haggin contract" to the waters of Kern River nor to fix or define
9 the obligations of the plaintiffs under said contract.

10 21. Nothing in this decree is to be construed as determining
11 the respective rights of the parties of the second part to said
12 Miller-Haggin contract as between each other to the surplus of the
13 waters of Kern River, over and above the amounts necessary to
14 supply the quantity due to the Kern Island Irrigating Canal Company
15 under said contract and necessary to supply the parties of the first
16 part under said contract and necessary to supply those of the
17 parties of the second part to said contract who are hereby decreed
18 to have the right to specific quantities of water from said Kern
19 River; and as to said surplus, it is hereby decreed that the
20 rights of the parties of the second part to said "Miller-Haggin
21 contract" thereto are as determined by the provisions of said
22 contract. It is further decreed that the rights of the parties
23 of the first part to said "Miller-Haggin contract" to have
24 delivered at the second point of measurement provided for in said
25 contract the full one-third without diminution of all water flowing
26 in said river during the months of March, April, May, June, July
27 and August of each year at the first point of measurement provided
28 for in said contract in excess of the three hundred cubic feet per
29 second thereof belonging to Kern Island Irrigating Canal Company,
30 is prior and paramount to the rights of the plaintiffs herein
31 decreed to the specific quantities of water to which they are
declared to be entitled, except the right of said Kern Island

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1 Irrigating Canal Company to said three hundred cubic feet per second.
2 22. That so long as the said Farmers Canal Company shall
3 continue to deliver to the said Wible Orchard & Vineyard Co.,
4 Charles Kerr, Milo B. Jewett and Miller & Lux the amount of water
5 of Kern River herein decreed to be due to said defendants respect-
6 ively, the said Farmers Canal Company shall have exclusive manage-
7 ment and control of the said Farmers Canal for the purpose of
8 carrying said water to the said defendants and to other persons
9 and lands entitled to receive water therefrom; but if said Farmers
10 Canal Company shall at any time fail or refuse to deliver the water
11 to which the said defendants are entitled or either of them
12 respectively to them at their said lands respectively, then in that
13 event the said defendants or either of them shall have the right
14 to use and control the said Farmers Canal so far as may be necessary
15 to enable them to divert the water to which they are hereby
16 declared to be entitled from Kern River, through the headgate of said
17 canal to conduct the same to their respective tracts of land or
18 places of diversion from said canal. Said defendants each
19 respectively shall make a dam and headgate or other work by
20 which to divert the water to which he is entitled, from said slough
21 or canal and said Farmers Canal Company shall deliver said water
22 at said headgate without charge and shall not be under obligation
23 to deliver such water to such defendant at any other place,

24 None of the parties have any rights to the waters of Kern
25 River other than as herein decreed, declared or reserved.

26 Done in open Court this 6th day of August, 1900.

27 Lucien Chew, Judge.

28 (Endorsed) No. 1901 Book 3, Page 364, Superior Court County of Kern
29 State of California, Farmers Canal Company, et al, plaintiffs, vs
30 J. R. Simmons, et al, defendants. DECRET. Filed Aug. 6, 1900, I.L.
31 Miller, Clerk, by Sedell Smith, Deputy Clerk."