

CO-TENANTS WATER-USE AGREEMENT

87109

No Fee

THIS AGREEMENT, made this 1st day of December 1967, by and between SOUTHERN CALIFORNIA WATER COMPANY, a California corporation ("Seller"), and CITY OF FOLSOM, a California municipal corporation ("Buyer").

1. Seller shall have the perpetual right to the exclusive use of 5/16ths of the water rights in which Seller and Buyer have a joint interest as co-tenants, pursuant to the provisions of the "Agreement for the Purchase and Sale of Certain Assets of Folsom Division of Southern California Water Company," dated August 22, 1966, and the Quitclaim Deed referred to in Section 2.02(d) thereof. The quantification of these rights is deemed to be 32,000 acre-feet annually, and the Seller's share to be 10,000 acre-feet annually.

2. Buyer shall have the perpetual right to the exclusive use of 11/16ths of the water rights referred to in paragraph 1 in which the Seller and Buyer have a joint interest as co-tenants, which share is deemed to be 22,000 acre-feet.

3. Buyer and Seller shall each have the right to use any water, the use of which is otherwise reserved to or vested in the other pursuant to this contract, at such time and to the extent that such other party and only such other party may, from time to time, determine that it does not need the use of any such water. The determination by the party by whom such right is reserved or in whom such

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OFFICIAL RECORDS
SACRAMENTO COUNTY, CALIF.

DEC 7 10 54 AM 1967

Edward J. [Signature]
COUNTY RECORDER

right exists shall be final and conclusive for all purposes.

4. Buyer covenants that it will transport water delivered to it by the U.S. Bureau of Reclamation at the terminus of the Federal facility at Green Valley Road, through the Natomas Canal to a point on the Alder Creek Canal immediately west of the Aerojet turnout (which is located at approximately Station 16+00), in an annual quantity equal to 90% of Seller's share, deemed to be 9,000 acre-feet of water per year. The 10% difference is the parties' judgment as to reasonable water losses incurred between the point of diversion of the water from the American River and the point of delivery on the Alder Creek Canal.

5. Buyer covenants that deliveries of water to Seller hereunder shall be at a rate specified by the Seller to the Buyer on three days notice to the Buyer and not more than 16 cubic feet per second and that, subject only to emergency circumstances, and to schedule outages at off-peak periods preceded by appropriate notice, the delivery of water will be continuous and without interruption or diminution below the volume specified in accordance with this paragraph. Any water delivered to the delivery point at a flow in excess of the specified rate of flow shall not be considered to be a delivery of water to such point for purposes of calculating the amount of water delivered to that point hereunder.

6. Buyer shall operate and maintain all portions of the Natomas Canal and the Alder Creek Canal from the Aerojet turnout at about Station 16+00, to the east so that

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the quantities of water herein provided to be delivered to the Seller shall be without cost to Seller for conveyance. Seller shall operate and maintain all portions of the Alder Creek Canal west of the Aerojet turnout at about Station 16+00 and the American and Valley Canals at its own expense. To the extent of any excess capacity and to the extent that it can be done without any cost to Seller, Seller will allow Buyer to transport its water into, through and out of such portions of the Alder Creek Canal west of Station 16+00 and the American and Valley Canals as Buyer shall deem necessary to supply Buyer's customers within the boundaries of the Folsom Division of Seller as it existed on December 11, 1963, without any cost (except to the extent, if any, to which such expense is increased by such use by Buyer) for operation and maintenance of such portions of the Alder Creek Canal and the American and Valley Canals.

7. Within one year after completion of construction of the Folsom South Canal, Seller shall seek to move its point of diversion to a point on the Valley Canal convenient to Seller. Buyer's obligation to deliver water to Seller under this Agreement immediately west of the Aerojet turnout at about Station 16+00 of the Alder Creek Canal shall terminate when Seller has effected an arrangement for such diversion, if the arrangement so made is such that the water to which Seller is entitled by virtue of the water rights reserved to it hereunder is available to Seller at such point on the Valley Canal upon terms no less favorable to Seller than the terms upon which Buyer is required to make such water available to Seller hereunder. After Seller has

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arranged for taking its entitlement of water from Folsom South Canal, Buyer agrees to transfer to Seller, and Seller agrees to accept from Buyer, without cost, that part of the Valley Canal below the point at which the Valley Canal is intersected by the Folsom South Canal. Thereafter the provisions of paragraphs 4, 5, and 6 hereof shall not be effective.

8. Buyer will not sell or deliver water for resale or use within the boundaries of the Cordova Division of Seller as it existed on December 11, 1963, except to Seller or its assigns; and Seller will not sell or deliver water for resale or use within the boundaries of the Folsom Division of Seller as it existed on December 11, 1963, except to Buyer or its assigns.

IN WITNESS WHEREOF, said Southern California Water Company and City of Folsom, respectively, have caused this agreement to be executed in their respective corporate names by proper officers thereunto duly authorized, and their respective corporate seals to be hereunto affixed this 15th day of DECEMBER 1967.

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SOUTHERN CALIFORNIA WATER COMPANY

By Phelps F. Walsh
President

By Merle F. Lundberg
Secretary

CITY OF FOLSOM

By [Signature]
Mayor

By Artie M. Harris
City Clerk

STATE OF CALIFORNIA }
COUNTY OF } ss.

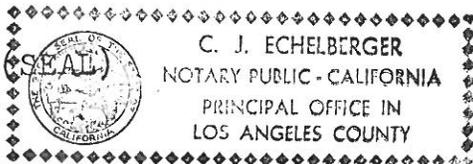
BOOK 67-12-07 PAGE 443

On December 1st, 1967, before me, the under-
signed, a notary public in and for said County and State,
personally appeared P. F. Walsh, known to me to be the
President, and Merle Lundberg, known to me to be the Secre-
tary of Southern California Water Company, the corporation
that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of said
corporation, and acknowledged to me that said corporation
executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.

WITNESS my hand and official seal.

C. J. Echelberger
Notary Public in and for said
County and State

My Commission Expires February 17, 1969.



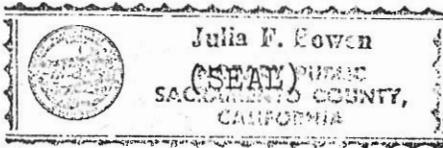
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STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss.

On November 30, 1967, before me, the under-
signed, a notary public in and for said County and State,
personally appeared John E Kipp Jr., known to
me to be the Mayor, and Artie M Davies, known
to me to be the City Clerk of the City of Folsom, the
California municipal corporation that executed the within
instrument, known to me to be the persons who executed the
within instrument on behalf of said City of Folsom, and
acknowledged to me that said City of Folsom executed the
within instrument pursuant to a resolution of its City
Council.

WITNESS my hand and official seal.

Julia F Bowen
Notary Public in and for said
County and State



Julia F. Bowen
418 E. Bidwell
Folsom, Sacramento County
MY COMMISSION EXPIRES 4-17-70

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