

THIS AGREEMENT, made this 18 day of August, 1961, by and between SOUTHERN PACIFIC COMPANY, a corporation of the State of Delaware, herein referred to as "Company", and CABAZON COUNTY WATER DISTRICT, a public corporation, hereinafter referred to as "District";

WITNESSETH:

WHEREAS, by judgment of the Superior Court of the State of California for the County of Riverside, in Action No. 18035, recorded December 9, 1938, in Book 46 of Judgments at page 246 et seq. in the Records of Riverside County, and by Certificate of Adjudicated Water Right No. 667, dated March 8, 1939, issued by the Division of Water Resources of the Department of Public Works of the State of California, Southern Pacific Railroad Company, a corporation, and Southern Pacific Company, a corporation, were decreed and certified to be entitled to divert from natural or developed flow of springs arising in Millard Canyon near the center of Section 32, Township 2 South, Range 2 East, S.B.B. & M., in the County of Riverside, State of California, water at the rate of 0.23 cubic feet per second (priority of January 1, 1877) and 0.27 cubic feet per second (priority of January 3, 1917), a total of 0.50 cubic feet per second, said water to be used for railroad and domestic purposes at and adjacent to Cabazon Station on the Southern Pacific railroad in Riverside County, California; and

WHEREAS, by said judgment in Action No. 18035 and by Certificate of Adjudicated Water Right No. 668, dated March 8, 1939, issued by the Division of Water Resources of the Department of Public Works, State of California, Southern Pacific Land Company, a corporation, was decreed and certified to be entitled to divert from natural or developed flow of springs arising in Millard Canyon near the center of said Section 32, water at the rate of 0.12 cubic feet

per second (priority January 1, 1877) and 0.16 cubic feet per second (priority January 3, 1917), a total of 0.28 cubic feet per second, said water to be used for domestic, stock watering and irrigation purposes upon 18.7 acres in NE 1/4 of SW 1/4, 13.0 acres in SE 1/4 of SW 1/4 and 0.8 acres in SW 1/4 of SW 1/4 in said Section 32, in the County of Riverside, State of California; and

WHEREAS, by deed dated September 13, 1928, recorded in Book 791 of Deeds at page 24, Records of Riverside County, Southern Pacific Land Company, a corporation, conveyed to said Southern Pacific Railroad Company said Section 32 and all water rights appertaining thereto and the E 1/2 of NE 1/4 of Section 5 and the N 1/2 and the SW 1/4 of Section 9, Township 3 South, Range 2 East, S.B.B. & M., Riverside County, California; and

WHEREAS, effective as of September 30, 1955, Southern Pacific Railroad Company was merged with Company; and

WHEREAS Company is the owner of a collection system at the springs in Millard Canyon in the center of said Section 32 and a water pipe line from said collection system to Company's station grounds at Cabazon, the location of which is shown by appropriate colored lines on the print of the Southern Pacific Company drawing hereto attached and made a part hereof, and is the owner of the land described in said deed dated September 13, 1928; and

WHEREAS District has not yet acquired or constructed any water facilities of any nature and is desirous of acquiring facilities for accomplishing the purposes of its formation:

NOW, THEREFORE, it is agreed as follows:

1. Company agrees to convey to District (subject to the provisions hereof):

(a) the right to divert from the natural or developed flow of springs arising in Millard Canyon, near the center of said

Section 32, water at the rate of 0.50 cubic feet per second it acquired under said Superior Court of the State of California for Riverside County, Action No. 18035, and said Certificate of Adjudicated Water Right No. 667;

(b) said water collection system facilities and said water transmission line, together with an easement for the reconstruction, maintenance and use thereof, the locations of which are shown on the attached Southern Pacific Company drawing; and

(c) an easement for the construction, maintenance and use of a water storage tank on the portion of said Section 9 owned by Company.

The above conveyances shall be made subject to the following reservations and conditions:

(d) Reserving to Company, its successors and assigns, the right to maintain and use said water collection system facilities and so much of said water transmission line as may be necessary to collect, divert and transport water up to 0.28 cubic feet per second from said springs in Millard Canyon for domestic, stock watering, irrigation and other purposes upon said Section 32.

(e) Company shall reserve and have the prior right to use of said water to the extent that it may be required for railroad or other transportation purposes.

(f) As portions of the Company lands require water service, they may be annexed to District in the manner required by law, and District agrees that it will take whatever action is necessary on its part to complete said annexations, provided petitions are presented to its Board of Directors in due form of law. Such annexations shall be subject to the condition, which shall be established in the manner provided by law, that Company lands included within the boundaries of the District shall be entitled to priority of right to use of said water.

(g) District shall relocate said water transmission line to such location as may be necessary to avoid interference with any development of the Company land traversed by said pipe line.

(h) The location, size and design of the water tank to be constructed on Section 9 shall be subject to Company's prior approval.

2. All water-distribution mains necessary to provide water service to Company lands from the major distribution mains of District shall be paid for by Company at the same rates and under the same rules as shall be uniformly applicable to all other property in the District.

3. District agrees to accept title to the water rights herein assigned, subject to the foregoing terms and conditions, and to own, maintain and operate the transmission main hereinabove mentioned and to take such proceedings as may be necessary to acquire or construct a water distribution system in and for the District and to maintain and operate the same in an efficient and economical manner, and to provide water service to any Company lands duly annexed to the District under the provisions of this agreement, subject to uniform and reasonable rates, rules and regulations.

In the event District does not place in operation a water distribution system as contemplated herein, putting to beneficial use a substantial amount of water to which it may be entitled under this agreement within two years from the date hereof, Company, its successors or assigns, shall have the right to possession of its lands free and clear of the easements so conveyed, and title to all improvements thereon shall vest in Company upon failure of District to remove the same within sixty days thereafter and said right to water shall be automatically re-vested in Company, its successors or assigns.

4. Any rights acquired and duties undertaken by either party to this agreement shall accrue to the benefit of and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have caused these pre-

sents to be executed by their officers thereunto duly authorized as of the day and year first hereinabove written.

IN DUPLICATE

SOUTHERN PACIFIC COMPANY

By: [Signature]
(Title) vice President

Attest: [Signature]
Assistant Secretary

CABAZON COUNTY WATER DISTRICT

By: [Signature]
President

Attest: [Signature]
Secretary Pro Tem

STATE OF CALIFORNIA, } ss.
City and County of San Francisco }

On this 14th day of November in the year One Thousand Nine Hundred and Sixty One
before me, NORMANT STONE, a Notary Public in and for the City and County of San Francisco, State of California, personally appeared

W. D. Lamprecht and T. F. Ryan, known to me to be the Vice President and Assistant Secretary, respectively, of the corporation described in and that executed the within instrument, and also known to me to be the persons who executed it on behalf of the corporation therein named and they acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the City and County of San Francisco, the day and year in this certificate first above written.

Corporation

[Signature]
Notary Public in and for the City and County of San Francisco, State of California.

My Commission Expires October 25, 1964.