

1. Mountain Water Company states in its January 24, 2011 Application submitted to the Montana Department of Public Regulation before the Montana Public Service Commission in paragraph 22, top of page 8 that, “Additionally access to the resources of Carlyle should maintain or enhance Park’s access to the capital markets to meet its periodic needs for outside sources of funds.” Does Carlyle agree with the quoted Mountain Water Company statement? If Carlyle agrees, please explain in detail how this would work and how any interest rates on Carlyle’s financing endeavors would compare to Mountain Water’s financing endeavors.

RESPONSE: Carlyle agrees with the statement. Carlyle could enhance Park’s access to external sources of funds in two ways:

- (a) Carlyle has access to the financial resources necessary to provide the equity funds as required to finance Mountain Water’s on-going operations and any necessary infrastructure improvement projects. Given the methodologies traditionally used by the Commission to set the authorized rate of return on equity for Mountain Water, the identify of the upstream owner of Mountain Water is unlikely to have a material impact on the authorized rate of return on equity.
- (b) Carlyle can utilize our well established presence and knowledge in the capital markets to assist Park in its debt capital raising efforts. While this may or may not result in a reduction in Park’s cost of debt going forward, we would expect that our assistance would enhance Park’s overall financing package, taking into account both interest rates and financing terms.

2. Please describe in detail how Carlyle's additional access to resources will "enhance Park's access to the capital markets to meet its public needs for outside sources of funds," as stated by Mountain Water Company in their application.

RESPONSE: Please see Carlyle's response to Missoula's Data Request No. 1.

3. Mountain Water Company on page 2, paragraph 5 of their application filed before the Montana Department of Public Service Regulation states that Carlyle Infrastructure Partners Western Water, L. P. is wholly owned by a group of investment vehicles associated with Carlyle Infrastructure Partners, L. P. (collectively Carlyle) and that “Carlyle invests primarily in transportation and water infrastructure assets in the U. S. and Canada. Carlyle has committed capital of \$1.4 billion that is managed by The Carlyle Group.” Do you agree with Mountain Water Company’s herein quoted statements from their January 24, 2011 application? If so, please explain in detail why you agree and how the above quoted statement from Mountain Water Company’s application pertains to and/or relates to Carlyle’s future ownership, administration, or management of Mountain Water Company’s water system serving the Missoula community and/or serves the best interests of the Missoula community.

RESPONSE: Carlyle’s infrastructure fund has committed capital of \$1.14 billion, as described in Mountain Water Company’s application, not \$1.4 billion. With this correction, we agree with Mountain Water Company’s quoted statement from their January 24, 2011 application. Carlyle does not intend to change Mountain Water Company’s management team. By investing in Mountain Water, we intend to become a long-term contributing member of the Missoula community. For details on Carlyle’s intentions and plan regarding Mountain Water, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

4. Please describe in detail Carlyle's envisioned and/or planned short-term and long-term monetary investments in infrastructure and operations for Mountain Water Company's water system serving the Missoula community after Carlyle acquires Park Water Company, which owns Mountain Water Company.

RESPONSE: As stated in Robert Dove's testimony, we intend to invest capital into Park Water's three subsidiaries, including Mountain Water, as appropriate to improve service quality, environmental stewardship, and operational efficiencies. For details on Carlyle's intentions and plan regarding Mountain Water, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

5. What is Carlyle's position as to the adequacy of current Mountain Water Company water rates after Mountain Water Company successfully obtained its 2011 water rate increases?

RESPONSE: Since Carlyle does not currently own Park Water, we had no input into Mountain Water Company's 2011 rate increases and have no opinion on the adequacy of the current rates after the rate increases. We do understand that Mountain Water's 2011 water rate increases are the result of close scrutiny and examination by the Montana Public Service Commission as well as input and agreement from Montana Consumer Counsel.

6. How long into the future does Carlyle anticipate it will be before Carlyle believes it will be necessary to petition the Montana Public Service Commission seeking a water rate increase for Mountain Water Company operations in the Missoula community?

RESPONSE: Our commitment to the Mountain Water customers and the Montana Public Service Commission is to continue Mountain Water's history of reasonable and affordable rates and top-notch service quality. If the merger is approved, we intend to work with Mountain Water's management over time to determine when and if future rate cases are appropriate. For details on Carlyle's intentions and plan regarding Mountain Water rates, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

7. Why is Carlyle interested in acquiring Park Water Company owner of Mountain Water Company that owns the Missoula community water system?

RESPONSE: Carlyle is interested in acquiring Park Water Company because of, among other reasons, (a) the transparent and well established regulatory framework in California and Montana, (b) the company's strong track record of customer service, and (c) its highly qualified and experienced professional management team.

8. Does Carlyle have any other “transportation and water infrastructure assets” that it owns in Montana, the northwestern United States, or western Canada? If so, please identify each such asset in detail.

RESPONSE: ITS Technologies & Logistics, one of our portfolio companies, operates an intermodal terminal for the Union Pacific in Portland, Oregon. ITS does not own the terminal, but owns the handling equipment.

9. What are Carlyle's short term plans for operating, managing, and administering Mountain Water Company's Missoula community water system during the first year of acquisition and ownership of Park Water Company?

RESPONSE: During the first year of ownership of Park Water, we intend to focus on getting to know and better understand Mountain Water's systems, operations, customers, stakeholders, and the community it serves. During this process we anticipate largely maintaining Mountain Water's current operating, management, and administration practices.

10. What is Carlyle's philosophy with respect to whether water customers of Mountain Water Company should be metered?

RESPONSE: Conserving our scarce water resources is both good environmental practice and, frankly, good business. One of the more effective ways to conserve water is to accurately measure how much is being used. For further details on Carlyle's philosophy with respect to meters, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

11. What does Carlyle intend to do with respect to the hundreds of unmetered Mountain Water Company residential and commercial water customers?

RESPONSE: We intend to examine whether there are reasonable and cost effective ways to accelerate the migration of existing flat rate customers to metered service. Our plan is to work with the Montana Public Service Commission and Staff to continue and promote rate designs that encourage customer metering, alongside an educational effort designed to point out the benefits of metering to the environment, the community, and our customers. For further details on Carlyle's plan with respect to unmetered customers, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

12. Does Carlyle have any interest in working cooperatively with the City of Missoula with respect to City of Missoula sanitary-sewer billing being keyed into customer water consumption with respect to water usage within buildings?

RESPONSE: Carlyle intends to become a long-term contributing member of the Missoula community. We will always be interested in working cooperatively with the City of Missoula and finding mutually satisfactory solutions to issues in the community.

13. Does Carlyle have any plans pertaining to implementing or establishing water-treatment facilities for the Mountain Water Company water system serving the Missoula community?

RESPONSE: Upon owning Park Water, Carlyle would be interested in engaging in a constructive dialogue with the City of Missoula so that we can understand the need and find mutually satisfactory solutions to issues in the community.

14. Will Carlyle continue and/or enhance the many existing instances of current Mountain Water Company and City of Missoula efforts attempting to work cooperatively on community issues including, but not limited to: (A) water system expansion in the urban Missoula community and to those who are developing land and are interested in acquiring Mountain Water Company water service; (B) fire hydrant placement and maintenance; (C) maintaining the current water system assessment mechanism for paying for fire hydrant water flows and operations; (D) street department truck paid access to water from fire hydrants for washing and sweeping streets; (E) coordinated utility structure replacement, repair, and improvement projects; (F) coordinated utility underground line replacement, repair, and improvements in advance of major street-improvement work within the city limits so streets are not unnecessarily torn up multiple times to work on underground utilities; (G) etc.?

RESPONSE: Carlyle intends to become a long-term contributing member of the Missoula community. Upon owning Park Water, we will be interested in working cooperatively with the City of Missoula and finding mutually satisfactory solutions to issues in the community.

15. What are Carlyle's short-term plans for operating, managing, and administering Mountain Water Company's Missoula community water system during the initial three years of ownership after acquiring the stock of Park Water Company?

RESPONSE: Carlyle does not intend to change Mountain Water Company's management team as we believe it is a well run company. However, we do intend to further study the rate of leakage in the system's infrastructure and work with stakeholders to determine how and when to best invest capital into the system's infrastructure to, over time, correct the leakage problem. We also intend to examine whether there are reasonable and cost effective ways to accelerate the migration of existing flat rate customers to metered services. For details on Carlyle's plans with respect to Mountain Water Company, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

16. Please describe in detail any and all representations Carlyle made to Park Water owners, administrators, or managers concerning the purpose of Carlyle's acquisition of Park Water Company as part of any discussions, communications, etc. that occurred. Please provide a copy of any and all communications that exist and are available as evidence or documentation of any aspect of a discussion or negotiation, such as any written letter or email.

RESPONSE: Please see Attachment A for Carlyle Response to Missoula Data Request No. 16.”

17. Please describe in detail any and all representations Carlyle made to Park Water owners, administrators, or managers concerning Carlyle's future operations, management, and/or administration of Mountain Water Company's water system in the Missoula community. Please provide a copy of any and all communications that exist, and are available as evidence or documentation, of any aspect of a discussion or negotiation on these topics, such as written letter or email.

RESPONSE: Please see Carlyle's response to Missoula's Data Request No. 16.

18. Please describe in detail any and all aspects of Carlyle's intended role and/or involvement in Mountain Water Company's community water system in the Missoula community.

RESPONSE: Carlyle does not typically get involved in day-to-day operation of our portfolio companies. Our involvement is normally at the board level, providing strategic guidance as well as analytical and funding support. We do intend to continue the community outreach effort that we have already started and continue our dialogue with various stakeholders in the community.

19. What is Carlyle's philosophy and/or intention with respect to annually maintaining existing Missoula community water system infrastructure and investing long term in capital infrastructure?

RESPONSE: Carlyle is committed to maintaining the existing Missoula community water system infrastructure as well as making any necessary and appropriate long-term investments in additional or replacement capital infrastructure. We stand ready to provide capital on an as needed basis. Having said that, we are keenly aware that reliable infrastructure and the associated capital investments must be carefully balanced with the goal of keeping rates reasonable and affordable.

20. What is Carlyle's philosophy and/or intent with respect to expanding or extending the current Mountain Water Company Missoula public water system to serve developing areas in the Missoula community that would like to have access to Mountain Water Company's water system for water service?

RESPONSE: Carlyle intends to become a long-term contributing member of the Missoula community. Upon owning Park Water, we will be interested in working cooperatively with the City of Missoula as well as Montana Public Service Commission and finding mutually satisfactory solutions to issues in the community.

21. Will Carlyle continue to recognize any and all of the current Mountain Water Company water rights for the Mountain Water Company water system and the potable drinking water generated therefrom as being solely for the public water system serving the Missoula community?

RESPONSE: Mountain Water Company's water rights will continue to be used to benefit Mountain Water Company's customers and the Missoula community – they will not be diverted outside of the Missoula area for use elsewhere. For details on Carlyle's intention with respect to Mountain Water Company's water rights, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

22. Will Carlyle commit to not ever attempting to either separately and independently sell any of the drinking water generated or any of the Mountain Water Company water rights to any other entity or person who is not a customer of Mountain Water Company located in the Missoula, Montana urban community?

RESPONSE: Please see our response to Missoula's Data Request No. 21.

23. Please describe in itemized detail the ways in which Carlyle's acquisition and ownership of the Park Water Company stock might affect Mountain Water Company operations of the Missoula community's public water system.

RESPONSE: We do not anticipate major changes in Mountain Water Company operations other than further analysis and efforts regarding the issue of system leakage and metered water use. For more discussion on those issues, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

24. Is Carlyle aware of the City of Missoula's continued interest in acquiring ownership of the current Mountain water Company water system that serves the Missoula community?

RESPONSE: Yes.

25. Would Carlyle be willing and able to enter into an agreement providing the City of Missoula the right of first refusal to purchase Mountain Water Company's Missoula water system if it is ever considered or placed up for sale?

RESPONSE: Upon owning Park Water, Carlyle will honor the August 14, 1997, letter from Mr. Arvid M. Hiller to then Mayor Kadas.

26. If Carlyle were ever to sell or transfer ownership of Park Water, would Carlyle be willing to first segregate Mountain water Company from Park Water and sell Mountain Water Company to the City of Missoula prior to selling the remainder of Park Water Company to someone else?

RESPONSE: Upon owning Park Water, Carlyle will honor the August 14, 1997, letter from Mr. Arvid M. Hiller to then Mayor Kadas.

27. What is Carlyle's intent and future plan for replacing or repairing leaking Mountain Water Company water mains and basically eliminating water main leakage in the water system?

RESPONSE: Upon owning Park Water Company, Carlyle intends to consult with the Montana Public Service Commission, Mountain Water Company's customers, and other stakeholders to develop strategies to address the leaking infrastructure in the Mountain Water System. We also intend to work with stakeholders to determine how and when to best invest capital into the system's infrastructure to, over time, correct the leakage problem. For additional details on Carlyle's plan with respect to system leakage, please refer to the testimony of Robert Dove filed in this proceeding on behalf of Carlyle.

28. What is Carlyle's intended or planned goal or objective of lineal footage replacement or repair each year until the water leakage is eliminated?

RESPONSE: Please see Carlyle's response to Missoula Data Request No. 27.

29. How many years does Carlyle estimate it will take to achieve the elimination of water main leakages in the Mountain Water Company water system?

RESPONSE: It is probably unlikely that there will ever come a time when leakage is completely eliminated in the system. However, we intend to invest in the system over time to reduce the leaks. The pace of capital improvements and investments and associated reductions in the amount of leakage is unknown at this time. Those decisions will depend on discussions with stakeholders and due consideration of the rate impacts associated with such improvements and investments, as well as other operational considerations that go into evaluating those improvements and investments.

30. What does Carlyle estimate will be the future specific monetary impacts on water rates pursuant to a capital infrastructure plan intended to replace or repair the water main leakages of the Mountain Water Company water mains?

RESPONSE: Please see the response to Missoula Data Request No. 29. At the present time, we cannot speculate on specific future rate impacts.

CERTIFICATE OF SERVICE

I hereby certify that on this, the 27th day of May, 2011, the foregoing MOTION FOR PROTECTIVE ORDER AND BRIEF IN SUPPORT was served via electronic mail and U.S. mail unless otherwise indicated to the following:

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s/ Leah N. Buchanan

THE CARLYLE GROUP

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October 8, 2010

CONFIDENTIAL

Mr. Henry H. Wheeler, Jr.
Park Water Company
9750 Washburn Road
Downey, CA 90241

Re: Park Water Company and Subsidiaries

Dear Mr. Wheeler:

Carlyle Investment Management L.L.C. (“*Carlyle*”) is pleased to submit this offer (“*Offer*”) to acquire Park Water Company (together with its subsidiaries “*Park Water*” or the “*Company*”) on the terms and subject to the conditions set forth in this letter.

The Transaction Carlyle proposes to acquire all of the equity of Park Water Company (the “*Transaction*”). It is envisioned that SICC, Inc. (“*SICC*”), a non-core asset to Park Water, would not be part of the *Transaction*. We will work with the Wheeler family and the Company to explore an efficient way of separating SICC, with the understanding that the Wheeler family and other selling shareholders (the “*Selling Shareholders*”) will reimburse the Company for tax consequences, if any, associated with the separation of SICC. We also envision that, as part of the *Transaction*, all outstanding related party assets and liabilities, including notes held by Wheeler family members and estates, will be redeemed or otherwise closed out in accordance with their respective documentations.

Purchase Price Carlyle proposes to acquire 100% of the outstanding capital stock of Park Water Company for \$102.0 million in cash (the “*Purchase Price*”), which represents a 1.53x multiple of the Company’s book value as of June 30, 2010.

Required Approvals The relevant Investment Committee within Carlyle has approved the submission of this Offer. No additional internal approvals are needed in connection with our Offer. Consummation of the Offer is conditioned upon receiving approval from the California Public Utilities Commission (the “*CPUC*”), support/no objection or approval from the Montana Public Service Commission (the “*Montana PSC*”) as we may deem appropriate, and consents from various municipalities in accordance with respective franchise agreements and/or other material contracts.

Financing Carlyle intends to fund the Purchase Price with 100% equity. Shortly after executing definitive agreements for the *Transaction*, we would propose jointly approaching the existing First Mortgage Bond holders to seek a waiver of their put rights relating to the proposed change of control transaction. In the event put rights are exercised, we expect the Company to execute a refinancing during the regulatory approval process between signing and closing.

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High Execution Certainty Our Offer has high degree of execution certainty as:

- We intend to fund the Purchase Price with 100% equity;
- The Transaction will be funded by Carlyle Infrastructure Partners, L.P. (“CIP”), a Delaware limited partnership, or one or more of its affiliates or managed funds. CIP has approximately \$600 million in available capital to fund the Purchase Price;
- We do not intend to make any changes in Company management or operations as result of the Transaction and we do not plan on raising additional debt capital for the purpose of financing the Transaction. We believe these facts will be received positively by the relevant state public utility commissions as a strong commitment by Carlyle to maintain the superior customer service and financial integrity of the Company and its regulated subsidiaries.

Remaining Due Diligence and Execution Timetable As you are aware, we have devoted a substantial amount of time and resources on our due diligence efforts to date. The due diligence process was conducted in a way that allowed many opportunities for direct dialogue between Company management and us. This enabled us to both gain a significant insight into the Company and develop a good working relationship with management. We also have only a small number of confirmatory diligence matters to complete, primarily consisting of those included in *Attachment A*. Accordingly, we believe that we can finalize our remaining due diligence in parallel with the negotiation of definitive agreements for the Transaction, which we expect can be accomplished within 30 days of your confirmation to proceed on the basis outlined in this letter.

We would propose, in consultation with you and working with Company management, approaching the CPUC and the Montana PSC either immediately before or after signing definitive agreements for the Transaction to introduce them to the Carlyle organization and our investment philosophy, as well as our intention to continue investing in the Company’s regulated utility operations and our commitment to environmental stewardship and superior customer service. Carlyle has successfully managed acquisitions in highly regulated industries that have required approvals from international, federal, state and local regulators. Among others, our recent experience includes securing approval for investments in Manor Care (FTC and state health authorities in 32 states) and Kinder Morgan (FTC and multiple state public utilities commissions).

Proposed Transaction Structure Based on preliminary discussions, our respective legal advisors have tentatively agreed that structuring the Transaction as a so-called “reverse triangular merger” makes the most sense. In that structure, Carlyle would set up a transitory merger subsidiary that merges into Park Water. Park Water would “survive” the merger, with Carlyle acquiring 100% of Park Water’s equity. In connection with the Transaction, we would expect that certain key employees execute customary employment agreements.

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As we have noted on multiple occasions, our goal is to negotiate with you, as quickly as possible, a definitive merger agreement that fairly balances the Company's and the Wheeler family's desire for pricing certainty, minimal closing conditionality and reasonable post-closing recourse exposure, with our need for protections customary for transactions of this type. Accordingly, our proposal assumes a definitive merger agreement with the following features:

- Equity Purchase Price with a "Lockbox" Structure. Given the nature of Park Water's business, the Wheelers' expressed desire for pricing certainty and our collective desire to keep the definitive agreement simple, we are prepared to forego a customary purchase price adjustment provision. Instead, as has been discussed by our respective legal advisors, we would propose a "lockbox" structure. The definitive merger agreement would include a flat purchase price for 100% of Park Water's outstanding equity based on a balance sheet reference date of June 30, 2010. Between signing and closing, Park would be permitted to continue making dividends to current equity holders consistent with past practice¹, but otherwise the Company would agree to reasonable limitations on pre-closing activities, such as incurrence of additional liabilities, changes in working capital management and significant changes in budgeted capital expenditures.
- Minimal Closing Conditions. We are eager to close the Transaction as quickly as possible, and with minimal disruption to the Company's business. Accordingly, we would expect the definitive merger agreement to contain as few conditions to closing as possible. In addition to conditions found in virtually all merger agreements, such as a bring-down of representations and warranties, absence of a "material adverse effect," etc., we would expect to include a condition that the parties obtain regulatory approvals and/or support without imposition of rate freezes or other economic concessions, which we view as customary for transactions of this type.
- Reasonable, Limited Post-Closing Recourse. We believe that the definitive merger agreement should reflect a fair balance between our need for protection as a purchaser and the Wheelers' need to receive reasonable limits on their post-closing obligations. Accordingly, we would propose that the Selling Shareholders indemnify Carlyle against breaches of representations, warranties and covenants and for the Company's pre-closing tax liabilities, and that these obligations would be supported by a customary indemnification escrow. Indemnification payments generally would be subject to a first-dollar basket, and Carlyle's maximum recourse would be limited to the escrowed funds, subject to customary exceptions, such as liabilities for pre-closing taxes.
- Customary Representations, Warranties and Covenants. Our goal will be to negotiate representations and warranties that clarify our mutual understanding

¹ We propose \$500,000 per annum, to be paid in quarterly installments of \$125,000, during the period between signing and closing.

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regarding the state of the Company's business without creating unnecessary disclosure schedule burdens, and to craft covenants that memorialize the parties' mutual desire to effect the Transaction as quickly, and with as little disruption to the Company business, as possible.

Future Plans for the Company and Management Carlyle believes that Park Water represents an attractive entry point into the regulated water utility sector due to its well managed operations and strong relationships with regulators in California and Montana. We expect that Park Water will be the platform company in the water space for Carlyle Infrastructure Partners. Our Offer is premised upon investing in and growing the business by providing management additional equity capital, as and when needed, to invest in capital projects such as main replacement and additional water supply. In order to help management achieve its growth objectives, Carlyle intends to provide strategic, analytical and funding support, with a particular emphasis on helping to identify regulated water companies that could act as strategic acquisition targets for Park Water.

We are highly impressed with Park Water's management team, and believe that with access to additional capital they will be capable of growing the business to significantly greater scale. Consistent with Carlyle's approach to acquisitions across all industry sectors, we anticipate that the existing management will play a critical role in the future development of the business. Carlyle intends to provide appropriate support and incentives to the existing team to ensure that Park Water achieves its financial goals and continues to provide the highest quality service to its customers. Because of the value we see in the management team, our Offer is conditioned upon signing of employment agreements between the Company and its key management members. Carlyle looks forward to engaging in such discussions with key management members as soon as it is appropriate to do so.

We would also like to explore retaining you as a board member or consultant post acquisition so that the Company can continue to benefit from your knowledge, expertise and counsel. We understand that your philanthropic work will likely consume a significant portion of your time, therefore we can be flexible as to the scope of your involvement with the Company post closing.

Validity of Offer We hereby confirm that our Offer will remain open and in effect until the later of 11:59 PM Eastern Standard Time on October 22, 2010 or the termination or conclusion of negotiations towards achieving a definitive agreement for the Transaction.

This Offer is conditioned upon your maintaining the contents of this letter and all related documents and the fact that we have delivered it to you, in strict confidence. If, for any reason, this letter or the contents hereof are so disclosed in violation of the foregoing, Carlyle may declare this Offer to be null and void. Under no circumstances will Carlyle or any of its affiliates have any obligations unless and until such definitive documentation is executed and delivered, and then only as set forth in such definitive documentation.

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Conclusion We hope that you will find our Offer attractive, and we look forward to your prompt response. Please do not hesitate to contact any of the individuals identified in *Attachment B* if you have any questions or need any clarification regarding this Offer.

Very truly yours,

**CARLYLE INVESTMENT MANAGEMENT
L.L.C.**

By:

A handwritten signature in cursive script, appearing to read "Barry P. Gold", is written over a horizontal line.

Barry P. Gold
Managing Director

Attachment A

Remaining Confirmatory Due Diligence Matters

- 1) Receipt of the Company's latest available financial statements.
- 2) Receipt of the following corporate documents:
 - a) Organization and governing documents for SICC.
 - b) Organization and governing documents and board minutes for Santa Paula Water Works, Ltd.
 - c) Stock ledger tracing ownership of Park Water Company stock from original filing of articles of incorporation to the present.
 - d) Summary of circumstances and events surrounding purported cancellation of 66% of outstanding Park Water Company common stock in 1964.
 - e) Park Water Company Stock Option Agreement with the University of California.
- 3) Receipt of tax opinion supporting the Company's treatment of advances for construction for tax purposes.
- 4) Calculation of costs and tax consequences of SICC separation and closing out assets and liabilities due to related parties, including, but not limited to, notes held by Wheeler family members and estates.
- 5) Confirmation that all material contracts have been uploaded to the Dropbox folder.
- 6) Confirmation that all documents relating to outstanding debt have been uploaded to the Dropbox folder.
- 7) Receipt of the following real property documentation:
 - a) All available title reports.
 - b) Copies of all leases entered into by Apple Valley Ranchos with respect to properties included in the spreadsheet uploaded to the Dropbox folder.
- 8) Receipt of the following litigation / regulatory documentation:
 - a) Copies of all material permits, licenses, etc. needed by Park Water Company and its subsidiaries to operate as utilities in their existing service areas.
 - b) Confirmation that all material litigation and regulatory action items have been uploaded to the Dropbox folder.
- 9) Receipt of the following water rights documentation:
 - a) All supplemental water rights diligence and permitting documents requested on September 30, 2010 conference call.

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- b) Confirmation that all documents related to water rights have been uploaded to the Dropbox folder.

10) Receipt of the following benefits documentation:

- a) Copies of any Park Water Company and its subsidiaries' employment, executive compensation and consulting agreements or confirm that none exist.
- b) Confirmation that copies of all compensation and benefit plans, programs and arrangements and related requested materials have been uploaded to the Dropbox folder.

11) List of all pending trademark applications, if any, including current status and description of mark.

12) Receipt of the following environmental documentation:

- a) Receipt of the report prepared for Mountain Water Company relating to the creosote wood pipe investigation.
- b) Confirmation that all environmental materials have been uploaded to the Dropbox folder.

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Attachment B

Carlyle Contact Details

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