

Customer no. 03233

Property no. 03277

Farmington Area Pressurized Irrigation District IRRIGATION WATER APPLICATION AGREEMENT

AGREEMENT made in duplicate this 16 day of June, 1994, between:

Steed Creek L.P.
and
P.O. Box 929 (380 S. 200 W.)
Farmington, UT 84025
(User)

RETURNED
JAN 14 1999

FARMINGTON AREA PRESSURIZED
IRRIGATION DISTRICT
1228 South Highway 89
Fruit Heights, Utah 84037
(the "District")

E 1478165 82431P 33
SHERYL L. WHITE, DAVIS CNTY RECORDER
1999 JAN 15 7:02 AM FEE .00 DEP D.J.M
REC'D FOR FARMINGTON AREA PRESSURIZED IR

WITNESSETH:

WHEREAS, the District is organized as a special improvement district and has developed a water distribution system to supply irrigation water to land located within the District boundaries; and User owns property within the boundary lines of the District and desires to make application for water to irrigate User's land;

NOW, THEREFORE, the parties agree as follows:

1. User hereby applies to the District for a connection to the District's distribution system (Service connection category type: Residential; Agricultural; or Special need) and a full water right to irrigate the 1.33 acres of land owned or under contract to purchase by User situated in Davis County, State of Utah, at the address commonly known as same as above and more particularly described as follows (the "Property"):

Attached description

Tax S/N# 06-087-0113

2. For each distribution delivery point located on or adjacent to the Property, User shall pay an initial application agreement fee of \$300.00, plus the cost of installation, for a total of \$ 1292.50 billed in May 1995

3. The parties covenant and agree to all of the General Provisions set forth on page 2 of this Agreement.

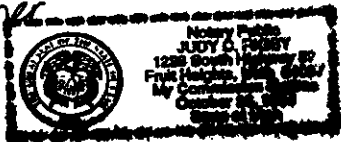
IN WITNESS WHEREOF, the parties hereto have signed this Agreement the day and year first above written.

USER:

Bradley J. Stringer for
General Partner

DISTRICT: FARMINGTON AREA
PRESSURIZED IRRIGATION DISTRICT

By: [Signature]
Title: Office Manager



STATE OF UTAH }
COUNTY OF DAVIS }

The foregoing instrument was acknowledged before me this 16 day of June, 1994
by Bradley J. Stringer, the above-named User.

[Signature]
Notary Public

X

GENERAL PROVISIONS 1478 165 82431 P 34

A. In addition to the initial service fee, User shall pay to the District an annual water fee (in advance of the irrigation season each year) within thirty (30) days after billing. The annual fee is based upon the amount of the acreage of the Property. User agrees to pay for the right to use such water whether or not User actually takes or uses it.

B. If the amount of Property set forth above is reduced by sale or other conveyance, the amount of the annual fee for the water shall be proportionally reduced upon application by User to the District. However, any property divided off from the Property shall not be entitled to use the water of the District until the new owner has applied, and paid to the District required service fees, for the use of the water.

C. User shall not permit anyone to connect to any water line which serves the Property or is located thereon.

D. User covenants and agrees to abide by all of the District rules, regulations, and policies now presently in force or hereafter adopted by the District.

E. Any and all delinquent sums owed hereunder by User shall bear interest at the rate of 18% per annum until paid in full. Any and all sums owed hereunder (including interest) shall constitute a lien against the Property.

F. This Agreement and the covenants of User herein shall run with the Property and shall be binding upon the representatives, successors and assigns of User and cannot be transferred or assigned to any other parcel of land located within the District boundaries.

G. If User fails to pay sums owed hereunder within thirty (30) days after due date, or in any other way breaches this Agreement, then in addition to the District's other rights and remedies available at law or in equity, the District shall have all of the following rights and remedies, which shall be cumulative:

- (1) The District may terminate water service to the Property;
- (2) The District may foreclose its lien against the Property, as a mortgage; and
- (3) The District may bring suit to recover the delinquent sums owed or to recover damages or seek such other remedies as are appropriate.

H. If User's line is disconnected from the District's distribution system for failure to pay fees due, or at the request of User, User agrees to pay a new service fee in the amount then being assessed by the District, before the line is reconnected.

I. In the event there is a shortage of water resulting from drought, prior or superior claims, breakage of any water line, or other causes, no liability shall accrue against the District or any of its trustees, officers, agents or employees for any damage, direct or indirect, arising therefrom and any charges due by User shall not be reduced because of any such shortage and damage. Deliveries of water allotted pursuant to this Agreement shall be reduced in the proportion that the number of acre-feet of the District's shortage bears to the total number of acre-feet subscribed for by all users of District water.

J. In the event either party is required to enforce the terms of this Agreement, the defaulting party agrees to pay all costs of enforcement, including a reasonable attorney's fee.

LEGAL DESCRIPTION:

BEG AT A PT 590.73 FT N & 22 FT W FR THE SE COR OF SEC 24-T3N-R1W SLM; SD PT BEI
NG ON AN EXIST FENCE LINE; TH S 89°40'30" W 250.10 FT ALG SD FENCE LINE TO THE E
'LY LINE OF A HWY AS DESC BY 401-30; TH S 14°45'48" E 59.06 FT ALG SD E'LY LINE;
TH S 47°15'30" E 58 FT ALG SD E'LY LINE; TH S'LY 134 FT ALG THE ARC OF A 888.51
FT RAD CURVE TO THE RIGHT; TH E 61.34 FT M/L; TH N'LY TO THE W LINE OF A STR; T
H N 0°11' W 89.38 FT TO THE POB. TOGETHER WITH A R/W. ALSO; BEG AT A PT 386.
92 FT N & W 119.88 FT FR THE SE COR OF SEC 24-T3N-R1W SLM; & RUN TH S 38°56'48"
W 94.69 FT; TH N 41°32'22" W 263.341 FT; TH N 34°30'39" W 93.34 FT; TH E 133.19
FT; TH S 14°35'45" E 58.0 FT; TH S 47°15'33" E 57.97 FT; TH SE'LY 142.8 FT ALG T
HE ARC OF A 888.51 FT RADIUS CURVE TO THE RIGHT TO THE POB. CONT. 1.427 ACRES