

PLATTED / VERIFIED
ENTERED / MICROFILMED

AGREEMENT 1188134 1674 107 30
DUGG CROFTS, WEBER COUNTY, UTAH
15-AUG-90 111 AM PEE 111 20 000 *
REC FOR: LIBERTY PIPELINE CO.

This agreement is between Carter Brothers, Inc., a Utah corporation hereinafter referred to as "Carter" and Liberty Pipeline Company, a Utah corporation, hereinafter referred to as "LPC".

WITNESSETH:

WHEREAS Carter owns property in the West half of the Southwest Quarter and Northwest Quarter of Sec. 36, T8N, R1W, SLB&M, North Ogden District, Weber County, Utah designated as Durfee Creek Estates Subdivision No. 1, a residential development of one building site per five acres, exclusive of roads, as a cluster subdivision in which the building sites are one to 1.7 acres in size with common area for the balance of the ground in the Subdivision; and

WHEREAS a spring (rights to which are in the name of LPC) is on the Utah Association of American Baptist Churches (hereinafter referred to a "UAABC") property, has recently been developed; that UAABC property is contiguous to the Durfee Creek Estates Subdivision as identified in Exhibit B attached hereto and made a part of this agreement that is called Camp Utaha; and

WHEREAS LPC is desirous of utilizing this water for culinary purposes if a 1500-foot radius of ground above the spring can be restricted as to use to avoid contamination of the spring water so it will qualify for public use as culinary water; and

WHEREAS the required restrictive use ground for the spring includes a substantial portion of the common area in the Durfee Creek Estates Subdivision No. 1 designated Common Area A; and

WHEREAS LPC also plans a water storage reservoir for such spring water and a pipeline from the spring to the reservoir site and from the reservoir to the LPC water line that parallels the North Fork Ogden River County Road; and

WHEREAS Durfee Creek Estates Subdivision No. 1 Plans require a water storage reservoir at elevation 5950 feet in its Common Area A with a six-inch PVC 200PSI water line down to its water source, and a well at elevation 5602 feet in Common Area C of the Subdivision; and

WHEREAS it is deemed mutually advantageous for Carter and LPC to build jointly a water reservoir and appropriate water lines from the storage reservoir and to the Carter well for mutual cost savings and other benefits; and

WHEREAS Carter has year round water rights for the

needs of Durfee Creek Estates Subdivision No. 1 planned development of 33 home sites; and the development and sale of all home sites is expected to be over a period of several years; and

WHEREAS LPC has water rights for of present and future customer base;

NOW, THEREFORE, Carter and LPC, as a joint venture, agree:

1. To share equally in the construction costs of:
 - a. A 100,000 gallon concrete water storage reservoir to be built in Common Area A at elevation 5950 feet in Durfee Creek Estates Subdivision No. 1;
 - b. A four-inch PVC 200PSI water line from Carter well to the pressure reducing station located at 5,730-foot elevation;
 - c. A 15HP submersible pump and panel for the well capable of pumping 90 GPM;
 - d. A three-phase converter for the well pump;
 - e. Phase failure protector; and
 - f. Engineering costs related to the above-mentioned construction as it would relate to any changes from the original engineering work Carter had performed for such water system for Durfee Creek Estates Subdivision No. 1 (only in the amount approved by LPC and Carter).
2. LPC may use water from the Carter well in Durfee Creek Estates Subdivision No. 1 in excess of Durfee Creek Estates Subdivision No. 1 needs, but not to exceed Durfee Creek water rights.
3. Carter shall convey and grant to LPC:
 - a. A restrictive covenant encumbering a 1500-foot radius of ground above the UAABC spring restricting the use of said 1500-foot area in order to qualify the UAABC spring for public use as culinary water.
 - b. A 16-foot easement to construct and maintain a two-inch water line from the UAABC spring to the

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reservoir.

c. An easement for the construction and maintenance of a reservoir together with a 16-foot easement around the reservoir for the construction and maintenance of the reservoir.

d. A 16-foot easement to construct and maintain a two-inch PVC 200 PSI water line to be jointly owned by Carter and LPC from the reservoir to the Carter well.

e. A 16-foot easement from reservoir to North Fork Road through Common Area A of Durfee Creek Estates Subdivision No. 1 at a location mutually agreed upon.

4. Carter will maintain water flow from its well source to sustain water usage demand of Durfee Creek Estates No. 1 to include all its water rights (37 acre feet). All costs to reestablish water flows from the well, in the event of flow loss, will be borne by Carter.

5. LPC will install at its expense a meter on the two-inch water line from the UAABC spring to the storage reservoir and maintain a written record of the amount of water pumped from the spring to the reservoir. LPC and Carter will install a meter on the four-inch water line from Carter Well to the pressure reducing station, and LPC will maintain a written record of the amount of water pumped from the well to the reservoir. LPC and Carter will install a meter on the six-inch water line from the reservoir to meter the water used from the reservoir. LPC will maintain written records of the water flowing from the reservoir to its water users and from the reservoir to the water users at Durfee Creek Estate Subdivision No. 1. All meters will be read and written records of the amount of water pumped into the reservoir and flowing out of the reservoir will be maintained.

6. LPC will keep a cumulative record of use by each party to this agreement of the pumping costs of the well for use in allocating the maintenance and repair costs of the jointly owned water system, and the yearly assessment of the 20 acre feet of water Carter purchases from the Pine View Reservoir Water Conservancy District. Carter and/or Durfee Creek Estates Subdivision Homeowners Association, Inc. and LPC will settle not less often than bi-monthly any costs of operating and maintaining the jointly owned water system as outlined.

7. Carter and LPC will negotiate with the various contractors to carry out the construction of the jointly owned

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water system and mutually agree upon the selection of a contractor or contractors for construction of the water system. Carter and LPC will place in escrow one half of the bid costs of the construction of the water system; the escrow holder and terms of escrow will be as mutually agreed upon.

8. Any expenses incurred by either party, including reasonable attorneys' fees, enforcing this Agreement or any right arising out of the Agreement will be paid by the party failing to fulfill its terms and conditions.

9. This Agreement shall be binding upon the respective successors and assigns of the parties to this agreement.

10. This Agreement constitutes the entire understanding of the parties and no verbal statements regarding the transaction shall be construed to be a part thereof.

11. A copy of the corporate resolutions certified by its Secretary that the Agreement has been approved and the officers of Carter have been authorized to execute the Agreement will be furnished to LPC, and LPC will furnish to Carter the corporate resolution and authorization certified by its Secretary that the Agreement has been approved and the officers of LPC have been authorized to execute the agreement.

12. Any notice or demand given under the terms of this Agreement shall be deemed delivered when mailed through the United States Certified mails, postage prepaid, return receipt requested, addressed to the following:

Carter Brothers, Inc.
2550 So. 2570 West
Salt Lake City, Utah 84127

Mailing Address:
P.O. Box 271037
SALT LAKE CITY, UT 84127-1037

Liberty Pipeline Company
Attn: Dan Rhodes
3844 North 3500 East
Liberty, Utah 84310

Upon written notice to the other party, any party may change its address.

IN WITNESS WHEREOF, the parties have hereunto affixed

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their hands and seals this 30th day of June, 1992.

CARTER BROTHERS, INC.

By: [Signature]
Its President

Attest:

[Signature]
Secretary

LIBERTY PIPELINE COMPANY

By: [Signature]
Its President

Attest:

[Signature]
Secretary

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ADDENDUM

This addendum is to the agreement between Carter Brothers, Inc. and Liberty Pipeline Company dated June 30, 1992.

As the joint venture between the two parties add the following to the construction costs to be shared equally:

1. g. A six inch PVC 200 PSI main water line from the 100,000 gallon water storage reservoir to lots 32 and 33 in the Durfee Creek Subdivision No. 1
- h. A wooden shed on a concrete slab 8 Ft. by 8 ft. to house the 3 phase converter and electrical panel and meter to be located between the well and the transformer at the Lot 1 and Common area C common boundary.
- i. All electrical wiring and controls necessary to operate the well pump.
- j. A Pressure Reducing Station on the water line from the water storage reservoir in Common Area A to the well.
7. Instead of placing each one half share of the bid costs in a row a joint checking account will be established which will require two signatures, one from each party in the joint venture. Carter will furnish a copy of the Line of Credit it has established with First Security Bank of Utah for these development costs and will have transferred to this joint account as needed to pay its one half share of the joint venture costs of construction. The joint account will be established at First Security Bank of Utah.

IN WITNESS WHEREOF the parties have hereunto affixed their hands and seals this 30th day of June 1992.

CARTER BROTHERS, INC.

Attest:

W. Carter
Secretary

By: W. L. Hart
Its President

LIBERTY PIPELINE COMPANY

Attest:

Paul Elder
Secretary

By: William H. Hilly
Its President