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AGREEMENT

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17-47-1W  
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This agreement, entered into this 25 day of Oct, 1952, in duplicate, by and between the State of Utah, acting through the Utah Water and Power Board, party of the first part, and the Straight Ditch Company, a corporation organized under the laws of the State of Utah, and the Layton-Kaysville Irrigation Ditch Company, a corporation organized under the laws of the State of Utah, considered jointly in this agreement as the Second Parties, or sometimes referred to herein as the Irrigation Companies;

WITNESSETH:

THAT WHEREAS, the First Party is desirous of constructing a project involving the laying of 6,075.0 feet of 30" concrete irrigation pipe and the appurtenant concrete intakes, outlets, controlling gates and other required facilities, all of which will constitute the Straight Ditch and Layton-Kaysville Irrigation Ditch Companies' pipe line project. The project lies along the section line between Sections 7 and 8, 13 and 17, T4N., R1W., S1E&M., on County Road property, Davis County, Utah, and

WHEREAS, the Second Parties, jointly and severally, do herein agree to convey to the First Party such easements and right-of-ways and other conveyances as may be necessary to enable the First Party to construct, maintain and operate the project in its own name and as its own property, and to convey to First Party all water saved by said project, and

WHEREAS, the Second Parties, jointly and severally, do herein agree to assign to the First Party all of their rights to the pipe line and appurtenant facilities to be constructed by this project, and

WHEREAS, the purpose of the aforesaid project is to construct the above referred to pipe line, thereby eliminating one of two open parallel irrigation ditches of the two respective irrigation companies thereby saving from seepage great quantities of water which shall be put to high beneficial use, and

WHEREAS, it is the desire of the Second Parties to enter into a contract with the First Party whereby the Second Parties, jointly and severally, undertake to construct the aforesaid project in the name of the First Party and to

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purchase the same from the First Party for the consideration hereinafter provided, and to use the water made available by the aforesaid project, and

WHEREAS, the Second Parties have the available manpower, facilities, and equipment necessary to construct the aforesaid project and are ready, willing and able to enter into a contract for such purpose, and

WHEREAS, the First Party desires to have such construction accomplished on its behalf by the Second Parties, and

WHEREAS, the First Party is prepared to sell to the Second Parties the project herein acquired by the First Party for the price hereinafter mentioned, and

WHEREAS, in order to secure the prompt payment of the above purchase price, the Second Parties are willing to afford such security to the First Party as is more fully provided for herein;

NOW THEREFORE, the parties hereto enter into the following agreement and agree to make the following assignments and conveyances:

1. The Second Parties, jointly and severally, hereby agree to convey, assign and warrant to the First Party, easements of sufficient width and length for the First Party to construct, maintain and operate the project hereinafter more particularly described. Second Parties, jointly and severally, further agree to convey to the First Party the 6,075 lin. ft. of pipe line and appurtenant structures therewith, heretofore constructed by them. Second Parties, jointly and severally, agree to file a "savings application" with the State Engineer and to assign said application to First Party.

Second Parties each further agree to grant and convey to the First Party an easement to use any and all of the former facilities in the Straight Ditch and Layton and Kaysville Irrigation Ditch Companies' distribution systems, lying in the following subdivision of land which is to be irrigated:

Sections 7, 18, 17, 19, 20, 28, 29, 30, 31, 32 and 33, T4N., R1W., and Sections 4 and 5, T3N., R1W., SLE&M., for putting the water to beneficial use.

The entire pipe line project herein referred to and its appurtenant facilities are more particularly located as follows:

Beginning on south boundary of Davis and Weber Counties Canal Company's canal 50.0 ft. south and 25.0 ft. west from the E<sub>1</sub> Cor. Sec. 7, T4N., R1W., S1B&M., thence, within the County Highway property, south 6150 ft., more or less, to the north boundary of State Highway property.

The Second Parties, jointly and severally, agree to supply the necessary manpower and facilities to construct the above mentioned project and agree to complete it at cost in accordance with the plans, specifications and work items, a copy of which is attached to this contract and which is hereby incorporated by reference and made a part hereof. The First Party agrees to pay the sum of \$23,007.00 to the Second Parties to defray the cost of construction. It is understood, however, that the total cost of the project shall exceed the sum of \$23,007.00 to complete, and that the Second Parties shall pay for all costs which may exceed the aforesaid \$23,007.00 in all events regardless of unforeseen contingencies that may arise and agree to bear all such additional costs required. It is further agreed that the First Party shall not pay in excess of 90% of the aforesaid amount payable by the First Party to the Second Parties until the entire project shall have been completed to the satisfaction of a properly designated agent of the First Party. It is understood and agreed that the First Party will make no payments to the Second Parties until the Second Parties furnish a certified statement of the payment required which shall be in the nature of a partial estimate of the work done to date by them which shall be based on the proportional amount of the various work items completed. It is further agreed that the Second Parties shall complete the construction of the project on or before the first day of December, 1953, and that title to the entire project, including all appurtenant facilities, will immediately vest in the First Party.

It is also agreed that this agreement shall not become binding on the First Party until it has been signed by all persons and agencies required by the law and that the First Party shall not become liable to the Second Parties until this agreement shall have become binding.

3. The First Party agrees to sell, with the approval of the State Senate, and the Second Parties, jointly and severally, agree to purchase the easements and right of ways, the pipe line and all other appurtenant facilities acquired by the First Party in this agreement and assignment at a total purchase price of \$23,007.00, payable over a period not to exceed ten years, without interest, as follows:

The Second Parties, jointly and severally, agree to pay to the First Party, one year or less after the completion of the project, but not later than December 1, 1953, the sum of \$10,000.00.

The Second Parties, jointly and severally, agree also to pay the balance of \$13,007.00, due the First Party after the above \$10,000.00 payment has been made, over a period of not to exceed nine years, at the rate of \$1,445.22, or more, per year, the first installment of \$1,445.22, or more, to be due and payable on or before December 1, 1954, and a like sum of \$1,445.22, or more, to be due and payable on or before the corresponding day of each succeeding year until the entire purchase price shall have been paid. Such sums will be payable to the Utah Water and Power Board. All delinquent payments shall bear 6% interest per annum. It is further agreed by the Second Parties that they will maintain a complete and separate accounting record of all expenditures in connection with the cost of this project, and the records, as maintained, will become the property of the First Party upon completion of the project.

4. During the period of such purchase under said contract, the Second Parties will have and are hereby given the right to use the First Party's pipe line, and facilities constructed thereunder. The Second Parties, jointly and severally, do hereby assume, during the above period of time, the full obligation of maintaining said pipe line, facilities and easements and of protecting all water rights from forfeiture. It is further agreed that after the purchase of the aforesaid project is accomplished, the title to the entire project will, with the consent of the Utah State Senate, vest in the Second Parties.

In order to secure the payment of the aforesaid purchase price, it is hereby expressly agreed that the First Party may require the Second Parties

severally to assess all of the outstanding shares of their stock for the full amount of any deficiencies in the aforesaid purchase price. It is further agreed, jointly and severally, by the Second Parties that they will not acquire any mortgages or encumbrances, other than those already acquired by them, on the stock or the property of the two irrigation companies, real or personal, without first securing the written permission of the First Party. It is further agreed that the Second Parties will not incur any indebtedness whatsoever for a principal sum in excess of \$50,000.00 on the two irrigation companies, jointly or severally, without first procuring the written consent of the First Party. It is further agreed that after the purchase price herein provided for shall have been fully paid, the First Party shall execute such deeds and bills of sale, with the consent of the Utah State Senate, as shall re-vest such title to this project in the Second Parties as is vested in the First Party. The remedies herein provided the First Party to secure the prompt collection of the purchase-money payments shall be deemed cumulative and not exclusive.

5. If the Second Parties, jointly or severally, should violate any of the conditions or covenants made herein, the First Party may give written notice of such breach and if the same shall not be cured within ninety days after such notice, the First Party may declare the contract forfeited and may proceed to its remedies at law for such breach.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this day and year first above mentioned.

UTAH WATER AND POWER BOARD

By John D. Hall  
Vice Chairman

Joseph M. Dray  
Executive Secretary

STRAIGHT DITCH COMPANY

By Thomas F. Jones  
President

Joseph M. Dray  
Secretary

LAYTON-KAYSVILLE IRRIGATION DITCH COMPANY

By Chester C. Flint  
President

Alma Webster  
Secretary

APPROVED AS TO AVAILABILITY OF FUNDS: APPROVED:

11-21-52  
FINANCE COMMISSION:

W. Mulcahy  
CHAIRMAN

UTAH STATE BOARD OF EXAMINERS:

W. Mulcahy  
Governor

V. H. Kuntze  
Commissioner

Heber Bennion Jr.  
Secretary of State

W. R. Taylor  
Commissioner

Clinton D. Vernon  
Attorney General

STATE OF UTAH )  
                  : SS.  
COUNTY OF DAVIS )

On the 23 day of Oct, 1952, personally appeared before me Thomas Fred Jones and Joseph W. Johnson, who being by me duly sworn did say that they are the President and Secretary, respectively, of the Straight Ditch Company and that said instrument was signed in behalf of said corporation by authority of a resolution of its stockholders, and said Thomas Fred Jones and Joseph W. Johnson acknowledged to me that said corporation executed the same.

W. D. Cook  
NOTARY PUBLIC

My Commission Expires at \_\_\_\_\_  
Residing at \_\_\_\_\_, Utah



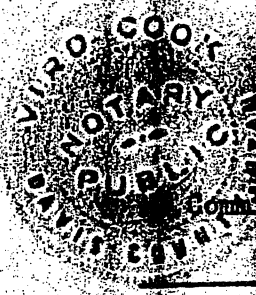
Commission Expires: \_\_\_\_\_

STATE OF UTAH )  
                  : S.  
COUNTY OF DAVIS )

On the 23 day of Oct, 1952, personally appeared before me Chester C. Flint and Alma Webster, who being by me duly sworn did say that they are the President and Secretary, respectively, of the Layton and Kayville Irrigation Ditch Company, and that said instrument was signed in behalf of said corporation by authority of a resolution of its stockholders and said Chester C. Flint and Alma Webster acknowledged to me that said corporation executed the same.

W. D. Cook  
NOTARY PUBLIC

My Commission Expires at \_\_\_\_\_  
Residing at \_\_\_\_\_, Utah



Commission Expires: \_\_\_\_\_

APPROVED AS TO FORM

W. R. Taylor  
ATTORNEY GENERAL. 11/27/52