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CONTRACT BETWEEN WEBER BASIN WATER CONSERVANCY DISTRICT  
AND

PARTNERSHIP INVESTMENTS OF COLORADO, INC.

FOR THE SALE AND USE OF UNTREATED WATER

\* \* \* \* \*

THIS CONTRACT made this 27th day of July, 1973, between  
WEBER BASIN WATER CONSERVANCY DISTRICT, organized under the laws of the  
State of Utah, herein styled "District", and Partnership Investments of  
536 E. 4 S.,  
Colorado, Inc. of Salt Lake City, Utah, herein styled the "Purchaser",

WITNESSETH:

WHEREAS, the District made a contract with the United States, dated December 12, 1952 (thereafter amended), hereinafter referred to as the Government-District contract for the repayment of certain costs of the works of Weber Basin Project, hereinafter referred to as the Project, by means of which water is and will be made available for use for irrigation, domestic and miscellaneous purposes, and

WHEREAS, the Purchaser desires, by means of a springs and/or other diversionary devices, to divert and withdraw underground and other water (herein sometimes referred to as "replaced water") for domestic and miscellaneous purposes at or near the following location:

South 763 feet and West 404 feet from the Northeast corner of Section 36, Township 1 South, Range 3 East, Salt Lake Base and Meridian.

149472 | RECORDED 9-20-78 at 9:27 M Page 795  
REQUEST of Weber Basin Water 806  
FEE WANDA Y. SPRIGGS, SUMMIT CO RECORDER  
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which diversion will intercept and withdraw water that will require replacement, under the direction of the State Engineer of Utah, and the District has Project water to sell to the Purchaser to replace the water so intercepted and withdrawn.

NOW, THEREFORE, in consideration of the mutual and dependent promises and covenants herein contained, it is hereby mutually agreed by and between the parties hereto as follows:

1. SALE OF WATER: The District for the price hereinafter specified, hereby sells and agrees to deliver in the manner and at the place herein-after provided, and the Purchaser hereby purchases the right to use in each calendar year untreated Project water in amounts of:

200 acre-feet in 1974,  
400 acre-feet in 1975, being an additional 200 acre-feet,  
600 acre-feet in 1976, being an additional 200 acre-feet,  
800 acre-feet in 1977, being an additional 200 acre-feet,  
1000 acre-feet in 1978, being an additional 200 acre-feet (continued  
next page)

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1200 acre-feet in 1979, being an additional 200 acre-feet,  
1400 acre-feet in 1980, being an additional 200 acre-feet,  
1600 acre-feet in 1981, being an additional 200 acre-feet,  
1800 acre-feet in 1982, being an additional 200 acre-feet,  
2000 acre-feet in 1983, being an additional 200 acre-feet, and  
2000 acre-feet annually thereafter.

except the District will not be obligated to deliver water to the Purchaser as herein provided until satisfactory evidence is furnished that the use of this water as replacement water has been approved by the State Engineer of Utah. If for any reason written notice of such approval by the State Engineer is not received by the District from the State Engineer by not later than 1/27/74 (6 months from date of contract) this contract shall in all respects cease and terminate.

2. PLACE OF DELIVERY AND USE: The Project water covered hereby is sold to the Purchaser for the replacement of water diverted, withdrawn or to be diverted or withdrawn by said Purchaser for domestic and miscellaneous use in and upon the following described lands in SUMMIT County, Utah:

See Exhibit A attached.

Water will also be diverted to other properties located in Sections 19, 20, 21, 28, 29, 30, 31, 32 & 33, Township 1 South, Range 4 East, and Sections 4, 5 and 6, Township 2 South, Range 4 East, SLB&M

Its use as replacement water shall be subject to such rules and regulations as the State Engineer of Utah may prescribe.

Delivery of such Project water shall be as directed by the State Engineer or his representative at Canyon Reservoir. The District shall have no obligation to provide works or facilities of any type to conduct such Project water from such point of delivery to its ultimate place of use. The Purchaser shall have no right to hold over or accumulate Project water from year to year, nor to sell or rent the Project water.

3. OBLIGATION OF PURCHASER TO PAY FOR PROJECT WATER: For the purchase of the annual quantity of Project water, which the District holds and will hold for the Purchaser as herein provided, the Purchaser shall pay to the District the initial sum of \$ 3,040.00 upon the execution hereof, and thereafter the Purchaser shall pay the District an annual amount to consist

EXHIBIT "A"

PARCEL 1:

All of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian.

EXCEPTING THEREFROM: Beginning at the Northeast corner of said Section 25, and running thence West 1650 feet along the North line of said Section 25; thence South 1650 feet; thence East 1650 feet to the East line of Section 25; thence North 1650 feet along said East line to the point of beginning.

All of the North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, and the Northwest quarter of Section 36, Township 1 South, Range 3 East, Salt Lake Base and Meridian.

Containing 857.50 acres, more or less.

PARCEL 2:

Part of Sections 30 and 31, Township 1 South, Range 4 East of the Salt Lake Base and Meridian; described as follows:

Beginning at a point 80 rods South from the Northwest corner of said Section 30; and running thence East 3347.7 feet, more or less, to the West line of the right of way of the Denver & Rio Grande Western Railroad Company; thence South  $3^{\circ}02'$  East along said line 1320 feet, more or less, to the South line of the North east quarter of said Section 30; thence West 777.76 feet, more or less, to the center of said Section 30; thence South 160 rods, thence West 70 rods to center of a road; thence South along center of said road 681 feet; thence North  $86^{\circ}48'$  West 468 feet; thence South 100 feet; thence North  $86^{\circ}49'$  West 234 feet; thence South  $0^{\circ}28'$  East 168 feet, more or less, to a corner of the tract of land conveyed to William Archibald by another deed recorded March 23, 1929, in Book "O" of Warranty Deeds, at Page 456 of the records of said Summit County; thence South  $0^{\circ}78'$  East 76.73 feet along boundary of the last mentioned land; thence North  $89^{\circ}30'$  West along the boundary of the last mentioned land 787.16 feet to the West line of said Section 31; thence North 979 feet to the Northwest corner of said Section 31; thence continuing North along the West line of the aforesaid Section 30, 240 rods, more or less, to the point of beginning.

EXCEPTING THEREFROM: That portion of said tract conveyed to Summit County for Highway purposes in warranty deed recorded August 14, 1928, in Book 0, at Page 350, of the Official Records.

ALSO EXCEPTING THEREFROM: A rectangular piece of land with dimensions of 42 feet by 52 feet as indicated by an iron fence as it is actually situated within the following description: Commencing at a point 190 feet West and 50 feet North, more or less, from the Southeast corner of the Southwest quarter of the Southwest quarter of Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian; and running thence North 150 feet; thence West 150 feet; thence South 150 feet; thence East 150 feet to the place of beginning, situate in the SW 1/4 of said Section 30, Township and Range aforesaid; TOGETHER with a right of way not to exceed 10 feet in width for egress and ingress over and across Buyer's adjoining land from and to State Highway No. 248 or such other public highway as will provide convenient and reasonable access to the tract herein excepted.

Containing 295.34 acres, more or less.

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PARCEL 3:

Beginning at a point 851.4 feet South and South  $86^{\circ}48'$  East 788.39 feet from the Northwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian; and running thence South  $86^{\circ}48'$  East 344 feet; thence North  $0^{\circ}28'$  West 168 feet; thence North  $86^{\circ}48'$  West 344 feet; thence South  $0^{\circ}28'$  West 168 feet to the point of beginning.

Containing 1.33 acres, more or less.

PARCEL 4:

A strip or parcel of land, 99 feet in width, being 49.5 feet wide on each side of what was the center line of the main track of the Park City Branch of the Denver & Rio Grande Western Railroad Company, as constructed over and across the West half of the Southeast quarter of Section 30 and the Northwest quarter of the Northeast quarter of Section 31, all in Township 1 South, Range 4 East, Salt Lake Base and Meridian, near Snyderville, in Summit County, State of Utah, said center line of main track intersecting the North line of said West half of the Southeast quarter of Section 30, at a point about 577.5 feet West from the Northeast corner thereto and extending thence Southwesterly a distance of about 3974 feet to a point in the South line of said Northwest quarter of the Northeast quarter of Section 31, about 313.5 feet West from the Southeast corner thereof; being the same land conveyed by Ephraim Snyder and Susannah Snyder, his wife, to the Utah Central Railroad Company, predecessor in interest to the Denver & Rio Grande Western Railroad Company by deed executed the 28th day of August, 1900, and recorded in Book "C" of deeds at Page 430, in the official records of Summit County, Utah.

Containing 9.09 acres, more or less.

PARCEL 5:

A tract of land in Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian, particularly described as follows: Commencing at the Northwest corner of the Southeast quarter of said Section 30; thence South 2770.5 feet, more or less, to the South boundary line of Section 30; thence East along said boundary line 904.5 feet, more or less, to a point on said South boundary line of Section 30, which is in the West boundary line of the right of way of the Denver & Rio Grande Western Railroad Company; thence Northerly along said Westerly boundary line of said railroad right-of-way to the North boundary line of the Southeast quarter of Section 30; thence Westerly along said boundary line 747 feet, more or less, to the place of beginning.

Containing 52.54 acres, more or less.

PARCEL 6:

The following described tract of land in Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian, to-wit: Commencing at a point on the North boundary line of said Section 31, where said boundary line is intersected by the West line of the right of way of the Denver & Rio Grande Western Railroad Company; thence Southerly along the West line of said railroad right of way 80 rods, more or less, to the County Road; thence West 2 rods; thence Northerly parallel with said railroad right of way and 2 rods distant therefrom, 80 rods, more or less, to the North boundary of said Section 31, thence East 2 rods to the place of beginning.

Containing 1 acre, more or less.

PARCEL 7:

The East half of the Northeast quarter, and the Northeast quarter of the Southeast quarter of Section 26, Township 1 South, Range 3 East, Salt Lake Meridian.

Containing 120 acres, more or less.

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of the total of the following items:

- (a) \$ 15.00 per acre-foot of water purchased as described in Paragraph 1 hereof, to apply on the District's obligation under the repayment contract No. 14-06-400-33 between the United States and the District, and as it has been or may be amended and supplemented,
- (b) An amount not to exceed \$5.00 annually as determined by the District to pay the District's special costs and expenses in administering this allotment.
- (c) An amount equal to the assessments imposed by the State Engineer for the distribution of water sold hereunder.
- (d) A fair proportionate amount of estimated operating and maintenance charges of the District for the then calendar year. Such fair proportionate amount shall be determined each year by the Board of Directors of the District and the determination shall be final and conclusive. If such estimate is more or less than the actual cost thereof, an appropriate adjustment will be made in the annual amount for the year following the year for which the estimate was made.
- (e) Two (2¢) cents per acre-foot for each acre-foot of water sold as provided in Paragraph 1 hereof and which is not as of January 1 of each year then subject to delivery during such year in accordance with the delivery schedule set out in said Paragraph 1.

The first annual payment under items (a), (b), (c), (d), and (e) above shall be made by the Purchaser to the District upon demand by the District and before the first water is delivered and shall be in payment for water available for the use of Purchaser as herein provided for calendar year 1974, and succeeding annual payments shall be made by the Purchaser to the District on or before January 1 of each year thereafter commencing January 1, 1975, provided, however, that upon payment in full of that part of the construction obligation of the District apportioned to the development unit applicable to this contract, no further payments under item (a) shall be required. Each annual payment shall be made to the District whether or not all or any part of the water is called for or used hereunder.

4. PENALTY FOR DELINQUENCY: Every installment or charge required to be paid to District under this contract, which shall remain unpaid after its due date, shall bear interest at the rate of six percent (6%) per annum from the date of delinquency.

5. REMEDIES OF DISTRICT IN CASE OF DEFAULT: The annual amount payable hereunder shall be and constitute a perpetual lien upon the lands hereinabove described. If the Purchaser shall fail to make any payment due

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hereunder on or before the due date, the District may refuse the delivery of water, but this remedy is not exclusive, and the District may exercise any other remedy given by this contract or by law to enforce collection of any payment due hereunder, and for the foreclosure of the lien hereby created.

6. RELIEF IN EVENT OF DROUTH AND WATER SHORTAGE: In the event there is a shortage of water caused by drouth, inaccuracies in distribution not resulting from negligence, hostile diversion, prior or superior claims or other causes not within the control of the District, no liability shall accrue against the District or the United States or any of their officers, agents or employees or either of them for any damage, direct or indirect, arising therefrom and the payments to the District provided for herein shall not be reduced because of any such shortage or damage. During periods of water shortage, allocations of treated and untreated water for municipal, domestic and industrial use shall have first priority.

7. CONSTRUCTION, OPERATION AND MAINTENANCE OF PURCHASER'S FACILITIES: The Purchaser shall construct, operate and maintain without cost to District or the United States, the wells and facilities necessary to secure and accurately measure its water supply. The metering or other measuring devices installed by Purchaser shall be satisfactory to the State Engineer. The District has no responsibility for the quantity or quality of water that the Purchaser is able to secure through the operation of its wells and other facilities.

8. BENEFICIAL USE OF WATER: The basis, the measure and the limit of the right of the Purchaser in the use of water shall rest perpetually in the beneficial application thereof, and the Purchaser agrees to put the water purchased by it hereunder to beneficial use in accordance with law.

9. OBSERVATION OF FEDERAL AND STATE POLLUTION LAWS: The Purchaser agrees that it will comply fully with all applicable Federal laws, orders and regulations, and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water, or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts or other pollutants.

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10. ASSIGNMENTS LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED: The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but as long as payments are required under Article 3(a) above neither this contract nor any assignment or transfer of this contract nor any part thereof or interest therein shall be valid until approved by the Secretary of the Interior.

11. ACCELERATION OF DELIVERY SCHEDULE: In the event the District at any time prior to January 1, 19 83, receives a bona fide offer to purchase water which in its judgment it cannot supply except by invading that portion of the water covered hereby which is allocated to deliveries to commence in the future years, the District may notify the Purchaser hereunder in writing that it proposes to terminate and cancel this contract as to a portion or all of the water so allocated to deliveries scheduled to commence in then future years, and thereupon the Purchaser shall,

- (a) Within a period of one month after receipt of such notice elect in writing delivered to the District to accelerate the delivery and payment schedules set out in Paragraphs 1 and 3 hereof to encompass for immediate delivery and full payment the portion of the water referred to in the District's notice to Purchaser, or
- (b) Be deemed to have acquiesced in and consented to the termination and cancellation as set out in the District's notice to the Purchaser.

Additionally, the Purchaser may of its own volition accelerate deliveries on a permanent basis by giving the District written notice of its intention so to do not later than three months prior to January 1 of the year in which the accelerated deliveries are to commence; provided, however, that not more than 2000 acre-feet may be so accelerated in any one calendar year except with the District's written consent thereto.

12. NOTICE: Any notice herein required to be given to the Purchaser shall be sufficiently given if sent by registered mail addressed to the Purchaser at 536 East 4th South, Salt Lake City, Utah and to the District if sent to 2837 E. Highway 193, Layton, Utah 84041.

13. This agreement shall not be effective until approved by the Secretary of the Interior, or his duly authorized representative. This agreement may be amended by the parties hereto and such amendments shall

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be effective upon approval of the Secretary of the Interior or his duly authorized representative.

IN WITNESS WHEREOF, the parties have caused this contract to be executed and signed the day and year first above written.

Partnership Investments of Colorado, Inc.  
Joseph D. Vough, President  
Purchaser

WITNESS:

J. D. Vough

WEBER BASIN WATER CONSERVANCY DISTRICT

J. Clinton Taylor  
President

ATTEST:

(SEAL)

The United States Bureau of Reclamation hereby approves the above replacement contract pursuant to its authority under Repayment Contract No. 14-06-400-33 for an initial 100 acre-feet of water.

Approval of the remaining 1,900 acre-feet of water pursuant to the contract will be dependent upon further compliance by the Bureau of Reclamation with the National Environmental Policy Act of 1969 (83 Stat. 852).

APPROVED

David Scandell

Authorized Representative of the  
Secretary of the Interior

*App'd. Sol. Crf.  
R. State*

The United States Bureau of Reclamation hereby approves the above replacement contract pursuant to its authority under Repayment Contract No. 14-06-400-33 for the remaining 1,900 acre-feet of water covered by this contract.

APPROVED

David Scandell

Authorized Representative of the  
Secretary of the Interior

*\*App'd. Sol. Crf.*

John Parker

DATE Oct. 30 1975

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RESOLUTION

BE IT AND IT IS HEREBY RESOLVED by the Board of Directors of the Weber Basin Water Conservancy District, that the President and the Secretary of said District be and they are hereby authorized and empowered to execute on behalf of said District replacement water agreements with the following purchasers on the terms and conditions contained in the forms of agreements presented to and considered at this meeting.

1. Antczak, Joseph L., Bertha H. - 1.0 acre-foot untreated water
2. Crook, Wallace F., Barbara A. & Cragun, E. Brent, Eugenie D. - 2.0 acre-feet untreated water
3. Porter, Cole Gil, Lana Peterson - 1.0 acre-foot untreated water
4. Partnership Investments of Colorado, Inc. - 2,000 acre-feet untreated water (to be made available on a stepped-up basis)
5. Sundquist, David H., Edna K. - 1.0 acre-foot untreated water
6. Vernon, Michael, Shaye F. - 1.0 acre-foot untreated water

CERTIFICATION

I, WAYNE M. WINEGAR, Secretary of the Weber Basin Water Conservancy District, hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of the Weber Basin Water Conservancy District at a regular meeting of the Board held Friday, July 27, 1973.

*Wayne M. Winegar*  
Wayne M. Winegar, Secretary

(SEAL)

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RESOLUTION

At a meeting of the Board of Directors of Partnership Investments of Colorado, Inc., held after notice and attended by a quorum of directors, the following resolution was unanimously adopted.

BE IT RESOLVED, that the draft of contract dated July 27, 1973 between Weber Basin Water Conservancy District and Partnership Investments of Colorado, Inc. for the purchase of 2,000 acre feet of Weber Basin project water upon the terms and conditions set out in said contract, be and it is hereby approved and the president is authorized to execute and deliver such contract in behalf of this corporation.

Dated this 25<sup>th</sup> day of August, 1973.

Michael J. O'Leary  
Secretary

This is to certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of Partnership Investments of Colorado, Inc. on the 25<sup>th</sup> day of August, 1973.

Michael J. O'Leary  
Secretary

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WEBER BASIN WATER  
COMMERCIAL DISTRICT  
2837 EAST HIGHWAY 193  
LAYTON, UTAH 84041

December 3, 1975

Partnership Investments of Colorado, Inc.  
c/o Mr. Walt Faber  
606 Newhouse Building  
Salt Lake City, Utah 84111

Gentlemen:

We refer to the existing contract between Partnership Investments of Colorado, Inc. and this District (copy enclosed) for purchase of untreated replacement water in the total amount of 2,000 acre-feet.

This water was to have been delivered as provided in paragraph one of the contract, on a stepped-up basis. You will recall, however, that the Bureau of Reclamation approved 100 acre-feet available for use in 1974 and held the agreement for full approval of the 1900 a.f. balance.

Due to the delay in obtaining full approval of the agreement by the Bureau of Reclamation, it is suggested that the schedule of delivery be amended, and, accordingly, this letter will stand as our mutual modification of paragraph one of the aforesaid contract to provide for water deliveries thereunder as follows:

100 acre-feet available for use in 1974,  
100 acre-feet available for use in 1975,  
200 acre-feet available for use in 1976, being  
    an additional 100 acre-feet,  
400 acre-feet available for use in 1977, being  
    an additional 200 acre-feet,  
600 acre-feet available for use in 1978, being  
    an additional 200 acre-feet,  
800 acre-feet available for use in 1979, being  
    an additional 200 acre-feet,  
1,000 acre-feet available for use in 1980, being  
    an additional 200 acre-feet,  
1,200 acre-feet available for use in 1981, being  
    an additional 200 acre-feet,  
1,400 acre-feet available for use in 1982, being  
    an additional 200 acre-feet,  
1,600 acre-feet available for use in 1983, being  
    an additional 200 acre-feet,  
1,800 acre-feet available for use in 1984, being  
    an additional 200 acre-feet,  
2,000 acre-feet available for use in 1985, being  
    an additional 200 acre-feet, and  
2,000 acre-feet annually thereafter.

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Partnership Investments of Colorado, Inc.  
December 3, 1975  
Page 2.

Please acknowledge your concurrence in this modification of the existing contract by executing the enclosed copy of this letter and returning it to us for our files.

Enclosed billing for water available for use under this agreement in 1976 is based on \$22.37 per acre-foot, plus State Engineer charge of 8¢ per acre-foot.

Yours truly,

WEBER BASIN WATER CONSERVANCY DISTRICT

WAYNE M. WINEGAR  
Secretary-Manager

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Foregoing reviewed and approved: December 3, 1975.

PARTNERSHIP INVESTMENTS OF COLORADO, INC.

By: Wayne M. Winegar

Title: President

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