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Date AUG 25 1966 945A EMILY T. ELDREDGE 119
By Frank J. Stedman 5-14-1966 351 Page 119
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A G R E E M E N T

7/27/4-25-477-105
7/27/4-26-477-105

This Agreement entered into this 5th day of November, 1965
in original and four copies, by and between the State of Utah, acting
through the UTAH WATER AND POWER BOARD, First Party, sometimes referred to
herein as the STATE, and the MUTTON HOLLOW IMPROVEMENT DISTRICT, an
improvement district, organized under the Laws of the State of Utah, Second
Party, sometimes referred to as the IMPROVEMENT DISTRICT.

W I T N E S S E T H

THAT WHEREAS, the STATE desires to promote a water conservation
project consisting of a reservoir with approximately 50,000 gallon capacity
and 18,800 feet of pressure pipeline, located in Davis County, Utah; and

WHEREAS, it is the desire of the IMPROVEMENT DISTRICT to enter
into a contract with the STATE, for a consideration hereinafter provided,
and to use the water developed by the aforesaid project, and as the IMPROVEMENT
DISTRICT has the available manpower and facilities necessary to construct
the aforesaid project, and is ready, willing and able to enter into a
contract for such purpose.

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

1. The IMPROVEMENT DISTRICT hereby agrees to convey, grant and warrant to the STATE, title, in fee simple, as required to the real estate upon which the structures are to be constructed; and further agrees to convey, grant and warrant to the STATE, title to such easements and rights-of-way as shall be necessary to enable the STATE to construct, maintain and operate said project; and further agrees to grant and convey to the STATE an easement to use any and all of the facilities of the IMPROVEMENT DISTRICT'S distribution system lying in Sections 23, 24, 25, 26, and 27, Township 4 North, Range 1 West, SLB&M.
2. The IMPROVEMENT DISTRICT agrees to sell water at rates sufficient to enable it to make the annual payments provided for in paragraphs 8 and 9 of this contract, and hereby pledges and assigns to the STATE from

such proceeds an amount each year sufficient to meet the payments required by this contract. If the proceeds from the sale of water are not sufficient to meet these annual payments, the IMPROVEMENT DISTRICT, to the extent permitted by law, agrees to levy such taxes and assessments upon the property within the IMPROVEMENT DISTRICT to make up the deficiency.

The IMPROVEMENT DISTRICT also agrees to make all payments required and do such other things as are necessary to keep in full force and effect that certain contract between the IMPROVEMENT DISTRICT and the Weber Basin Water Conservancy District dated the 10th day of November, 1965, wherein the Weber Basin Water Conservancy District agrees to sell the IMPROVEMENT DISTRICT the perpetual right to the use of 30 acre-feet of water for municipal purposes. Provided, however, that in the event the IMPROVEMENT DISTRICT defaults on said contract with Weber Basin Water Conservancy District, it is agreed that the IMPROVEMENT DISTRICT shall notify the STATE in writing and if requested by the STATE shall assign all of its right, title and interest in said contract to the STATE.

3. The IMPROVEMENT DISTRICT recognizes as valid the conveyance of easements and rights-of-way executed by various owners of the benefited land to the STATE, and agrees that all performance by the IMPROVEMENT DISTRICT under this contract shall be subservient to, and in recognition of, the aforesaid rights of the STATE in and to the aforesaid easements and rights-of-way.

4. The IMPROVEMENT DISTRICT agrees to supply the necessary manpower and facilities, and agrees to complete the construction of the aforesaid project at a cost in accordance with plans, specifications and work items, a copy of which is hereby incorporated by reference and made a part hereof.

5. The STATE agrees to pay to the IMPROVEMENT DISTRICT seventy-five percent (75%) of the total cost of constructing the project, but in no event shall the amount paid by the STATE exceed \$75,000.00, and the IMPROVEMENT DISTRICT shall itself pay for all costs in excess of the amount paid by the STATE. The IMPROVEMENT DISTRICT agrees and undertakes to construct to completion as designed and specified, the aforesaid project

in all events regardless of unforeseen contingencies, and agrees to pay all costs in excess of the aforesaid amount paid by the STATE.

6. It is further agreed that the STATE shall pay ninety percent (90%) of the amount payable by the STATE to the IMPROVEMENT DISTRICT upon the presentation by the IMPROVEMENT DISTRICT to the STATE of a certified statement of the payment requirement which shall be in the nature of a partial estimate of the work completed to date by the IMPROVEMENT DISTRICT on each work item. The ten percent (10%) withheld as above set forth will become due and payable to the IMPROVEMENT DISTRICT with, and as a part of, the final payment to be made by the STATE upon completion of the project, and its inspection and acceptance by an engineer designated by the STATE.

7. It is further agreed that the IMPROVEMENT DISTRICT shall complete the construction of the project on or before December 1, 1966, and that title to the entire project, including all appurtenant facilities and water rights shall immediately vest in the STATE. It is also agreed that this contract shall not become binding upon the STATE until it has been signed by all persons and agencies required by law, and that the STATE shall not become liable to the IMPROVEMENT DISTRICT for any commitments made by the IMPROVEMENT DISTRICT until this contract has been completed.

8. The STATE agrees to sell, and the IMPROVEMENT DISTRICT agrees to purchase, the land, easements, rights-of-way, water rights, the constructed works, and all appurtenant facilities acquired by the STATE in this Agreement and Assignments at a total purchase price defined to be the combined total of all funds paid by the STATE to the IMPROVEMENT DISTRICT for the construction of the project, but not to exceed \$75,000.00, plus all expense incurred by the STATE for the investigation, engineering and inspection of the project, and to be determined by the STATE upon the completion of the project, and payable over a period of time not to exceed twenty (20) years, in annual installments of one-twentieth (1/20) or more per year, of the total purchase price as defined above, without interest.

9. The first annual installment of one-twentieth (1/20), or more of the total purchase price, as defined above, shall become due and

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payable on the First day of December 1967 and a like sum, or more, to be due and payable on the First day of December of each and every year thereafter until the full purchase price, as defined above, shall have been paid in full; said sums shall be payable at the office of the UTAH WATER AND POWER BOARD, and the first monies received by the STATE under the terms of this contract will be applied against the indebtedness incurred by the STATE for investigation, engineering and inspection, until fully paid, and any residue will be applied to funds paid by the STATE for the construction of the project. Delinquent payments shall bear interest at a rate of six percent (6%) per annum.

10. The IMPROVEMENT DISTRICT hereby orders and directs that all payments made under this agreement shall be made payable to MUTTON HOLLOW IMPROVEMENT DISTRICT, and mailed to Ira J. Egbert, Chairman of the Board, Route #1, Box 401, Mutton Hollow Road, Kaysville, Utah.

11. During the period of such purchase under this contract, provided the IMPROVEMENT DISTRICT is not delinquent in any manner, the IMPROVEMENT DISTRICT shall have, and is hereby given the right to use, the STATE'S water rights, and all facilities constructed thereunder. The IMPROVEMENT DISTRICT does hereby assume during the life of this agreement, the full obligation of maintaining the construction works, and other facilities, and of protecting all water rights from forfeiture.

12. The IMPROVEMENT DISTRICT hereby warrants to the STATE, that the construction of the project will not interfere with existing water rights. If the project herein described shall give rise to a claim, or cause of action to any holder of any water rights because of the interference with such rights by the operation of the aforesaid project, then the IMPROVEMENT DISTRICT hereby agrees to indemnify the STATE to the extent of such claim or cause of action.

After the IMPROVEMENT DISTRICT shall have paid in full the purchase price as defined above, the STATE shall, with the approval of the Utah State Senate, execute such deeds and bills of sale as will be necessary to vest the same title to the aforesaid property and water rights in the IMPROVEMENT DISTRICT, as are vested in the STATE.

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13. If either party to the contract violates any of the conditions or covenants made herein, the other may give written notice of such breach or failure, and if the same shall not be cured within ninety (90) days after such notice, the other may declare the contract forfeited and may proceed to its remedies at law for such breach. The remedies provided the STATE in this agreement shall be deemed cumulative, and not exclusive.

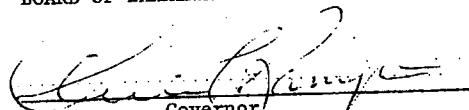
14. The IMPROVEMENT DISTRICT hereby agrees to assume the full obligation for any claim or liability for any injury or death of persons, or for any property loss or damage that may arise in accomplishing the construction of this project for the STATE; and further, the IMPROVEMENT DISTRICT agrees to hold the STATE immune for all such claims for damages, injury, or death of persons during the life of this agreement.

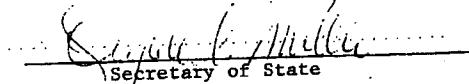
15. That this agreement, or any party thereof, or the benefits to be received under this agreement, may not be the subject of an assignment to any other person, firm or corporation, by the said IMPROVEMENT DISTRICT without having first secured the written consent of the STATE to any such proposed assignment or disposition of this agreement.

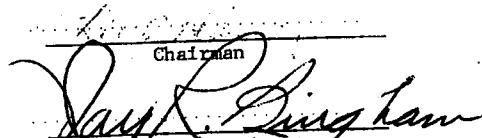
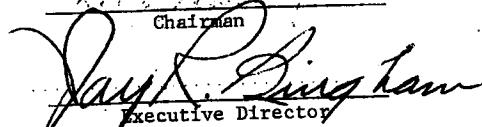
IN WITNESS WHEREOF, the State of Utah, acting through the UTAH WATER AND POWER BOARD, Party of the First Part, has caused these presents to be signed by Chairman and Executive Director of the said UTAH WATER AND POWER BOARD, by authority of a resolution of said Board at a meeting held April 12, 1965; and the MUTTON HOLLOW IMPROVEMENT DISTRICT, Party of the Second Part, was caused these presents to be signed and executed on its behalf by Ira J. Egbert, Chairman of the Board, and Donna M. Parker, its Clerk, by a resolution of its Board of Trustees at a meeting held November 8, 1965.

UTAH WATER AND POWER BOARD

APPROVED: **FEB 15**
BOARD OF EXAMINERS - STATE OF UTAH


Governor


Secretary of State


Chairman

Executive Director

MUTTON HOLLOW IMPROVEMENT DISTRICT

APPROVED
AS TO AVAILABILITY OF FUNDS:

John E. Smith
Budget Officer

Date

By: John E. Smith
Chairman - Trustee

By: John E. Smith
Trustee

By: Donna M. Parker
Trustee - Clerk

APPROVED:

John E. Smith
Director of Finance

APPROVED AS TO FORM:

John E. Smith
Assistant Attorney General

CERTIFICATION AND ACKNOWLEDGEMENT

STATE OF UTAH)
)
COUNTY OF DAVIS) ss.

Comes now, Donna M. Parker, who being first duly sworn upon her oath, deposes and says:

That she is the duly qualified and acting Clerk of the Board of Trustees of Mutton Hollow Improvement District, a special improvement district organized and existing under authority of Title 17, Chapter 6, Utah Code Annotated, 1953, as amended; and that on the 12 day of July, 1965, a meeting of the Board of Trustees of the said district was held at Kaysville, Utah, which meeting was held in the manner required by law and after due notice had been given to the Board of Trustees in the manner prescribed by law; and that at such meeting all of the Trustees were present; and that at said meeting the following Resolution was made by Levi Love and seconded by Donna M. Parker and unanimously carried, all Trustees voting "aye".

RESOLUTION

BE IT HEREBY RESOLVED by the Board of Trustees of Mutton Hollow Improvement District that Ira J. Egbert as Chairman and Donna M. Parker as Clerk acting on behalf of said District are hereby authorized to enter into a contract with the State of Utah, acting through the Utah Water and Power Board, for the construction of an irrigation project consisting of 21,300 feet of pressure pipeline and a small storage reservoir and connections for approximately 70 homes.

FURTHER, that the total estimated cost of completing the project will be \$100,400.00, of which amount the Utah Water and Power Board will pay seventy-five percent of the cost of construction, but not to exceed \$75,000.00; and all additional costs to complete the project will be paid by Mutton Hollow Improvement District; and

FURTHER, that this district shall deed to the Utah Water and Power Board its properties, easements and water rights, appurtenant to said project on condition that the same, with the approval of the Utah State Senate, be reconveyed to this District upon the payment of the purchase price thereof, such purchase price to be the combined total of all money paid by the Utah Water and Power Board for the construction of the project, but not to exceed \$75,000.00, plus all expense incurred by the Utah Water and Power Board for investigation, engineering and inspection in its accomplishment of the project; and

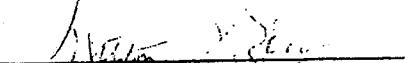
FURTHER, that this District shall have full use of such properties and water rights during the life of this contract, provided this District is not delinquent in any of its obligations under the contract.



Clerk

STATE OF UTAH }
 } ss.
COUNTY OF DAVIS }

On this 5th day of November, 1965, personally appeared before me, Donna M. Parker, who is personally known to me to be the Clerk of the Mutton Hollow Improvement District, and who did acknowledge to me under oath that she executed the aforesaid document entitled "Certification and Acknowledgment", on behalf of said District.



Notary Public
Farmington, Utah

My commission expires:

November 25, 1965.