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## AGREEMENT

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This agreement entered into this 29th day of August 19 61  
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

KAYSVILLE IRRIGATION COMPANY

, a corporation, organized under the laws of the  
State of Utah, Second Party, sometimes referred to as the WATER COMPANY.

## WITNESSETH

THAT WHEREAS, the STATE desires to promote a water conservation project consisting of  
6300 linear feet of 15 inch diameter concrete canal lining located in Section 25  
and 26, T4N, R1W, SLB&M near Kaysville, Davis County, Utah.

WHEREAS, it is the desire of the WATER COMPANY to enter into a contract with the  
STATE, for a consideration to be hereinafter provided, and to use the water developed by the  
aforesaid project, and as the WATER COMPANY has the available manpower and facilities neces-  
sary 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 fol-  
lowing assignments:

1. The WATER COMPANY 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  
WATER COMPANY'S facilities in the Kaysville Irrigation Company's Distribution  
System.

2. The WATER COMPANY hereby agrees to convey, assign and quitclaim to the STATE all  
right, title and interest which it has or may have, to the right to use of water which shall be saved  
or conveyed through the use of the aforesaid project, and particularly

90 primary shares of the capital stock of the Davis and Weber  
Counties Canal Company, as evidenced by stock certificate No. 5472.

3. The WATER COMPANY 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 WATER COMPANY 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 WATER COMPANY 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 WATER COMPANY sixty percent of the  
total cost of constructing the project, but in no event shall the amount paid by the STATE exceed  
\$ 15,000, and the WATER COMPANY shall itself pay for all costs in excess of the amount  
paid by the STATE. The WATER COMPANY 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 pay-  
able by the STATE to the WATER COMPANY upon the presentation by the WATER COM-  
PANY 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 WATER COMPANY on each work  
item. The ten percent (10%) withheld as above set forth will become due and payable to the  
WATER COMPANY 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

Recorded at request of Division of Public Resources Fee Paid \$20.00  
Date JUN 25 1971 BY MARGUERITE S. BOURNE Recorder Davis County  
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7. It is further agreed that the WATER COMPANY shall complete the construction of the project on or before December 1, 1962, 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 WATER COMPANY for any commitments made by the WATER COMPANY until this contract has been completed.

8. The STATE agrees to sell, and the WATER COMPANY 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 WATER COMPANY for the construction of the project, but not to exceed \$15,000.00, 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 ten (10) years, in annual installments of one tenth (1/10), or more per year, of the total purchase price as defined above, without interest.

9. The first annual installment of one tenth (1/10), or more, of the total purchase price, as defined above, shall become due and payable on the First day of December 1963, 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 WATER COMPANY hereby orders and directs that all payments made under this agreement shall be made payable to Kaysville Irrigation Company, and mailed to

Lloyd A. Bishop, 95 Bishop's Lane, Kaysville, Utah

11. During the period of such purchase under this contract, provided the WATER COMPANY is not delinquent in any manner, the WATER COMPANY shall have, and is hereby given the right to use, the STATE'S water rights, and all facilities constructed thereunder. The WATER COMPANY 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. In order to secure the payment of the aforesaid purchase price, it is hereby expressly agreed that the STATE may require the WATER COMPANY to assess all outstanding shares of their stock for the full amount of any delinquencies in the aforesaid purchase installments. It is further agreed by the WATER COMPANY that it will not incur any mortgage or encumbrances, other than those already acquired by it, on any of its property, real or personal, without first securing the written consent of the STATE. It is further agreed that the WATER COMPANY will not incur any indebtedness whatsoever for a principal sum in excess of \$20,000.00, without first procuring the written consent of the STATE. The remedies herein provided shall be deemed cumulative, and not exclusive.

13. The WATER COMPANY, 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 WATER COMPANY hereby agrees to indemnify the STATE to the extent of such claim or cause of action.

After the WATER COMPANY 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 re-vest the same title to the aforesaid property and water rights in the WATER COMPANY, as are vested in the STATE.

14. 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.

15. The WATER COMPANY 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 WATER COMPANY agrees to hold the STATE immune for all such claims for damages, injury, or death of persons during the life of this agreement.

16. That this agreement, or any part 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 WATER COMPANY 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 the Chairman and Executive Director of the said Utah Water and Power Board, by authority of a resolution of said Board at a meeting held July 21, 1961; and the

Kaysville Irrigation Company

Party of the Second Part, has caused these presents to be signed and executed on its behalf by Wallace King, its President, and Lloyd A. Bishop, its Secretary, by a resolution of its stockholders at a meeting held April 19, 1961.

UTAH WATER AND POWER BOARD

APPROVED:  
BOARD OF EXAMINERS - STATE OF UTAH

Gordon R. Galt  
Governor

Lamont F. Brown  
Secretary of State

Attorney General

APPROVED:  
AS TO AVAILABILITY OF FUNDS-  
STATE FINANCE COMMISSION

Chairman  
C. R. Hopkins  
Commissioner  
W. B. Lunn  
Commissioner

APPROVED AS TO FORM:

Dallas W. Jensen  
Assistant Attorney General

STATE OF UTAH }  
County of Sauv } ss.

On the 29 day of August, 1961, personally appeared before me Wallace King, and Lloyd A. Bishop who being by me duly sworn, did say that they are the President and Secretary, respectively, of the Kaysville Irrigation Company, and that the said instrument was signed in behalf of said corporation by authority of a resolution of its stockholders, and said Wallace King and Lloyd A. Bishop acknowledged to me that said corporation executed the same.

Ernest R. Little  
Notary Public

Kaysville, Utah Residing at:

My Commission Expires:

October 13, 1962