

When Recorded Return To:
Kennecott Copper Corp.
P. O. Box 525
Bingham Canyon, Utah
84006-0525
Attention: Keith Hansen

NOTICE OF INTEREST

4700402

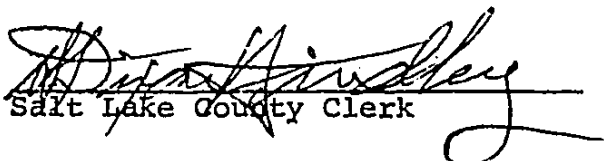
NOTICE IS HEREBY GIVEN that by virtue of an Agreement dated February 25, 1987 ("The Agreement"), SALT LAKE COUNTY ("County") and KENNECOTT CORPORATION, a Delaware Corporation ("Kennecott"), Kennecott has agreed to allow County to purchase easement rights over the Riter Canal for flood control purposes. Such easements shall begin at 8000 West and continue easterly to 3600 West and 3100 South as County budget and storm water development permit.

The Agreement recites and contains certain terms and conditions relating to the ownership, right of access to, and the use of the Riter Canal. All of the terms and conditions of said Agreement are incorporated herein by this reference.

The legal description of the first such permanent non-exclusive easement acquired by County is more fully described in Exhibit "A" attached hereto and by this reference made a part hereof and this Notice is for the purpose of recordation of said legal description only. All terms and conditions of the Agreement shall control.

IN WITNESS WHEREOF, the parties to the Agreement have signed these presents this 28 day of March, 1988.

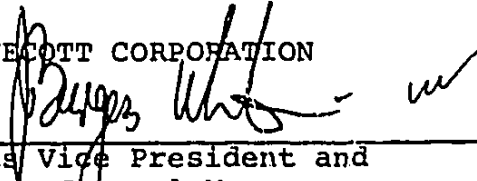
ATTEST:


Salt Lake County Clerk

SALT LAKE COUNTY

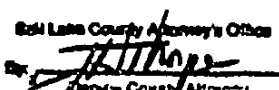
By 
Its Chairman of the Board of
County Commissioners

KENNECOTT CORPORATION

By 
Its Vice President and
General Manager

APPROVED AS TO FORM

Salt Lake County Attorney's Office

By 
SALT LAKE COUNTY ATTORNEY
Date 12-15-87

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STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 28th day of March, 1988, personally appeared before me Bart Barker, who, being by me duly sworn, did say that he is the Chairman of the Board of Salt Lake County Commissioners, and that the foregoing instrument was signed in behalf of Salt Lake County and Bart Barker acknowledged to me that said Salt Lake County duly executed the same.

Donald H. [Signature]
NOTARY PUBLIC
Residing at: SLC [Signature]

My Commission Expires:
Aug 30, 1988

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 31st day of May, 1988, personally appeared before me J. Burgess Winter, who, being by me duly sworn, did say that he is the Vice President of Kennecott Corporation, and that the foregoing instrument was signed in behalf of said corporation and said J. Burgess Winter duly acknowledged to me that said corporation executed the same.

Keith S. Hansen
NOTARY PUBLIC
Residing at: Salt Lake County

My Commission Expires:
October 24, 1991

303 6080 PPS 1122

EXHIBIT "A"

KENNECOTT RITER CANAL EASEMENT BOUNDARY DESCRIPTION

Beginning at a point on the East right-of-way line of 8000 West, said point being North 1682.65 feet and East 41.34 feet from the Southwest corner of Section 21, Township 1 South, Range 2 West, Salt Lake Base and Meridian;

Thence S. 65°16'14" E. 855.28 feet; thence S. 89°45'11" E. 845.35 feet; thence S. 00°22'18" W. 27.04 feet; thence along a curve to the right, radius 70.00 feet through a central angle of 16°06'03" an arc distance of 19.67 feet; thence S. 55°04'29" E. 562.45 feet; thence along a curve to the left, radius 375.00 through a central angle of 31°47'20", a distance along the arc 208.06 feet; thence S. 86°51'49" E. 1072.09 feet; thence along a curve to the left; radius 900.00 feet through a central angle of 07°49'25", a distance along the arc 122.89 feet; thence N. 85°18'46" E. 261.20 feet; thence along a curve to the right, radius 1250.00 feet through a central angle of 03°36'25", a distance along the arc 78.69 feet; thence N. 88°55'11" E. 498.06 feet; thence N. 89°18'31" E. 897.75 feet; thence N. 00°42'21" W. 100.00 feet; thence S. 89°18'31" W. 898.06 feet; thence S. 88°55'11" W. 498.41 feet; thence along a curve to the left, radius 1350.00 feet through a central angle of 03°36'25", a distance along the arc 84.99 feet; thence S. 85°18'46" W. 261.20 feet; thence along a curve to the right, radius 800.00 feet through a central angle of

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07°49'25", a distance along the arc 109.24 feet; thence N. 86°51'49" W. 1072.09 feet; thence along a curve to the right, radius 275.00 feet through a central angle of 31°47'20"; a distance along the arc 152.58 feet; thence N. 55°04'29" W. 562.45 feet; thence along a curve to the left, radius 170.00 feet through a central angle of 35°21'35" a distance along the arc 104.91 feet; thence N. 00°26'04" W. 5.00 feet; thence S. 89°33'56" W. 661.32 feet; thence along a curve to the right, radius 245.00 feet through a central angle of 25°09'50", a distance along the arc 107.60 feet; thence N. 65°16'14" W. 749.69 feet; thence along a curve to the right, radius 131.60 feet through a central angle of 30°00'00", a distance along the arc 68.91 feet; thence S. 54°43'46" W. 60.77 feet; thence N. 65°16'14" W. 53.91 feet to a point on the East right-of-way line of 8000 West; thence S. 00°22'23" W. 82.33 feet along the East right-of-way of 8000 West to the point of beginning containing 12.21 acres.

EXHIBIT "A"

When Recorded Return To:
Kennecott Copper Corp.
P. O. Box 525
Bingham Canyon, Utah
84006-0525
Attention: Keith Hansen

AGREEMENT

THIS AGREEMENT is made and entered into this ^{25th} day of February, 1987, by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah, hereinafter called "County," and KENNECOTT CORPORATION, a corporation of the State of Delaware, hereinafter called "Kennecott."

W I T N E S S E T H:

WHEREAS, County proposes, pursuant to the terms and conditions of this Agreement, to have a non-exclusive right to discharge waters into the Riter Canal which is owned by Kennecott and runs from approximately 3600 West 3100 South to 8000 West 2600 South in Salt Lake County for flood control purposes; and

WHEREAS, Kennecott shall retain the right to use the Riter Canal as it exists as of the date of this Agreement, consistent with the manner in which Kennecott has used the Riter Canal in the past and may use the Riter Canal in the future to accommodate Kennecott's operations, but only to the extent of Kennecott's rights in the Riter Canal; and

WHEREAS, use of the Riter Canal for flood control purposes will promote the general welfare of the citizens of County as more particularly outlined in the attached letters dated August 28, 1986 from the Salt Lake County Commission to Kennecott (Attachment A) and August 25, 1986 from West Valley City to Kennecott (Attachment B); and

WHEREAS, the Riter Canal, as it exists or may be expanded and maintained by the County, has or will have capacity to carry both Kennecott's industrial process water and Storm Water; and

6080 P.S. 1125

WHEREAS, Kennecott benefits from the maintenance by County of the "C-7 Ditch" which the Riter Canal flows into;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

1. "Storm water" shall mean waters which are artificially conveyed into the Riter Canal through curb and gutter, paving, storm drains or open channels approved by County, now or in the future, to drain increased water from County approved residential, industrial, commercial, recreational or other developments and also from streets and roads owned or which may be acquired by County or West Valley City.

2. County shall have the right to purchase easements over the Riter Canal sufficient in width for the County to have a permanent non-exclusive right to use the Riter Canal as a flood control facility. Such easements shall begin at 8000 West and shall be acquired in sections running easterly as County requires them. The terms of such easements will be contained in separate easement agreements.

3. County is required to purchase easements over all sections of the Riter Canal which will carry Storm Water introduced into the Riter Canal under terms of this Agreement before connections of conveyance systems are made.

4. The cost of each easement section shall be fifty (50%) percent of the appraised value of the land encompassing the easement at the time each easement section is purchased for areas where Kennecott has fee title to the land occupied by the Riter Canal, and shall be twenty-five (25%) percent of the appraised value of the land encompassing the easement at the time each easement section is purchased for areas where Kennecott does not own fee title over the land occupied by the Riter Canal. The appraisal shall be performed by an independent appraiser selected and approved by both Kennecott and County.

5. County may purchase sections of easement as its budget and Storm Water conveyance requirements permit, the only limitation being that the easements must at all times be continuous from 8000 West to the easternmost point of Storm Water discharge at approximately 3600 West, 3100 South.

6. The easement interest County shall purchase is limited to the interest owned by Kennecott at the time of purchase. The easements will be for the express purpose of obtaining the right to transport Storm Water through the Riter Canal and will not entitle County to any given percentage of Riter Canal capacity.

7. After purchase of an easement over a section, or sections, of the Canal, County may enter upon the Riter Canal for the purposes of its flood control program, to operate equipment for the dredging or cleaning of the Riter Canal, or for the purpose of installing pipelines and spillways, at the sole expense of County.

8. County, through its duly authorized representative (which representative must reliably inform himself as to the distribution of waters under flood control and other emergency conditions), shall have a set of keys to all spillway gates constructed by the County and the County shall have authority to open, close, and otherwise regulate these spillways and other critical relief points, to distribute the waters therein in times of flood and other emergency conditions. Except in times of flood, the County shall not open flood control gates without specific consent of Kennecott. County and Kennecott shall maintain lists of authorized representatives with 24-hour telephone contact numbers for use by all parties.

9. In the exercise of the rights and powers described herein, (a) County shall exercise reasonable discretion and shall not do any damage to or impair Kennecott's ability to convey its water; and shall restore said Kennecott property to substantially the same condition that existed prior to entry by County, except that the Riter Canal may be altered when complying with the specifications agreed to in paragraphs 9(b) and 10 below; and (b) County shall have the right to deepen, widen or improve the Riter Canal at

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County's sole expense and to place any excavated materials on the Riter Canal banks, and County agrees to dispose of same within a reasonable time. It is the intent of the parties hereto that whenever exercising these rights and powers County and Kennecott will work together and keep each other informed of any action which one of them might take which would materially affect the interests of the other with respect to the rights and duties set forth herein.

10. As partial consideration for the rights and duties described herein, County agrees to require that all persons who might discharge water into Kennecott's canal pursuant to authority from County shall strictly comply with the following specifications. County will require that any water discharged into the Riter Canal shall be in a pipe of such size as to carry the maximum flow from the source, and said pipe shall be of such length as will project for one (1') foot beyond the bank of the Riter Canal at high water line, or be set even with the Riter Canal bank, but with a concrete spillway, at least three (3') feet in width and extending to the center of the Riter Canal. Sand traps will be installed and maintained by County, at such places when and as determined necessary by County. No discharge facility which will discharge water into the Riter Canal shall be constructed by any person, under terms of this agreement, until Kennecott has approved the facility in writing forwarded to County. County and all persons who might discharge water into Kennecott's canal pursuant to authority from County will comply with all Federal, State, or local environmental laws, regulations, and requirements thereunder, relating to such discharge.

11. There is not presently a requirement to sample water entering Kennecott's process water system. If it is later required by Kennecott for water quality purposes, County shall be responsible for such sampling and shall pay the costs.

12. Kennecott reserves the right, at all times, to transport its industrial process water in the amount it deems necessary to continue its operations. In the event the Riter Canal capacity is not sufficient to transport both Kennecott water and Storm Water, Kennecott shall not be

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limited or restrained in any way from using the Riter Canal in any way it deems necessary to continue its operations, and it shall be the responsibility of County to widen and deepen the Riter Canal to accommodate said Storm Waters. The cost of such construction shall be the sole responsibility of the County.

13. County shall maintain those sections of Riter Canal which are being used for flood control purposes. It is agreed that the maintenance contemplated by this paragraph shall include work done annually to clear the Riter Canal of deposits of silt, debris, weeds, moss, garbage and like foreign matter; to strengthen the banks against normal wear and tear due to erosion, the traffic of animals or vehicles and from the surface water which is caused by snow or rainfall or other sources being conducted into the Riter Canal by County improvements and also strengthening the banks at other known weak points where overflow might occur and where potential hazards might exist, and repair of breaks in the Riter Canal banks. Maintenance as contemplated by this paragraph, except where the rebuilding and placing of concrete lining in the Riter Canal increases the carrying capacity of said Riter Canal at County's request, does not include rebuilding the Riter Canal, placing concrete lining therein, constructing bridges, irrigation dams, headgates or other diversions therein, solely for Kennecott's use and benefit, but it will include any maintenance of those facilities which carry Storm Water or spring runoff into, over and under Riter Canal or flumes and pipes over the Riter Canal and all facilities which County places on Riter Canal.

14. County agrees to meet with Kennecott between October 15 and November 1 of each year to patrol the Riter Canal and concurrently determine what debris or sand removal and repair and other maintenance work is required, which work will be performed by County on a schedule, but prior to April 1 of the following year.

15. In consideration of Kennecott's providing its Riter Canal facilities for storm water, County agrees, to the maximum extent authorized by law, to indemnify, save harmless and defend Kennecott, its officers, agents, employees and subsidiary and parent companies from all claims, mechanics'

BOD: 6080 PAGE 1129

liens, damages, demands, actions, cost and charges arising out of any and all operations by or on behalf of County hereunder including, but not limited to, any damage to Kennecott or to third parties caused by the introduction of any Storm Water, including damage arising from the harmful contents of such Storm Waters, which is artificially diverted into the Riter Canal through curb and gutter, paving, storm drain pipelines or other channels approved by County, irrespective of whether Kennecott may have approved or not, or by reason of the escape, or release by Kennecott or County or others, of Storm Water from Kennecott's canal. Without limiting the foregoing provisions, the provisions of this paragraph shall not operate or be construed as a waiver of governmental immunity of the County as to any person or entity not a party to this agreement.

16. County shall be responsible for all maintenance of those sections of the Riter Canal which are being used for flood control purposes and for all facilities which the County places on the Riter Canal. County shall be responsible for cleaning and improving, as required, all other canals, ditches or drainage facilities, not owned by Kennecott, including, but not limited to the "C-7 Ditch," which connect to or are an integral part of the drainage of the Riter Canal. Kennecott shall be permitted by the County to discharge into the C-7 Ditch at all Kennecott discharge locations. County agrees to operate the spillways or other relief outlets on said facilities as set forth in paragraph 8 herein to control Storm Water in the Riter Canal as necessary with County protecting and indemnifying Kennecott, as set forth in paragraph 15 hereof. It is agreed that title to any pipelines and spillways installed by County shall remain the property of County and shall be maintained solely by County; however, Kennecott may use any of said County facilities in controlling flow of its industrial process water.

17. The parties hereto further agree that storm drainage and flood control conditions change annually and that the expanding growth of County through the construction of subdivisions and other public works will influence terms as set forth herein. Because of these considerations, the parties hereto agree to review this Agreement annually. The parties further agree that if during the term of this Agreement Kennecott elects to permanently

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discontinue its use of the Riter Canal for any purpose associated with the Kennecott operation, the County shall have the option to purchase the remaining Kennecott interest in the said Riter Canal right-of-way, real property and related improvements. The consideration to be paid for such property shall be determined in the same manner as that set forth in paragraph 4. This option to purchase, on behalf of the County, shall not apply to Kennecott's discontinuance of the use of the Riter Canal as a result of Kennecott conveying, transferring or assigning its interest in the Kennecott operation, including Kennecott's Riter Canal interest, to a successor in interest.

18. It is understood and agreed by the parties that the County's obligations with respect to the Riter Canal shall accrue and become effective only upon and as of the date the County acquires an easement over a section, or sections, of the Riter Canal, and that said obligations shall apply and extend only to such section or sections of the Riter Canal over which the County has acquired an easement or easements.

19. Should any United States Government, State, or local laws or regulations be enacted concerning the handling or treatment or otherwise regarding said Storm Water, County agrees at its sole expense to comply with the requirements thereof and to hold Kennecott harmless from any loss, cost or expense to Kennecott or third parties in connection therewith.

20. All notices provided for herein or pertaining to this agreement shall be in writing and shall be deemed to have been given to the addressee at the time when mailed at a United States Post Office, enclosed in registered or certified, postpaid envelope addressed to County at Salt Lake County Flood Control Division, 2033 South State Street, Salt Lake City, Utah 84115, and to the Kennecott Law Department, 10 East South Temple, Salt Lake City, Utah 84133, with a copy to Kennecott at Utah Copper Division, P. O. Box 525, Bingham Canyon, Utah 84006-0525.

21. This agreement is binding upon the parties hereto, their assigns and successors, and supersedes all earlier agreements between the parties hereto with respect to the subject matter contained herein and there are no

other representations or warranties either written or oral which shall be binding on the parties hereto except those contained herein. Any modifications of this agreement must be in writing and signed by both parties.

22. The term of this agreement shall be twenty-five (25) years from the date of execution. It may be extended from year-to-year thereafter by mutual written agreement of the parties. Interests acquired by easement shall be perpetual.

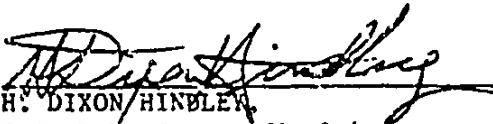
IN WITNESS WHEREOF, the parties have subscribed their names hereon and caused this agreement to be duly executed on the 25th day of February, 1987.

SALT LAKE COUNTY

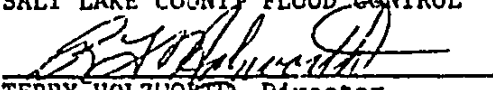
By


Barry Barker, Chairman
Board of County Commissioners

ATTEST:


H. Dixon Hinkle
Salt Lake County Clerk

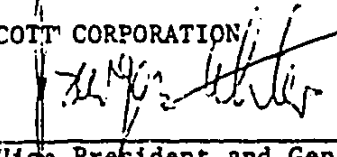
APPROVAL, RECOMMENDED:
SALT LAKE COUNTY FLOOD CONTROL


Terry Holzworth, Director


John D. Wiskey, Director
Public Works Department

KENNECOTT CORPORATION

By


Vice President and General
Manager

ATTEST:



Approved as to Form:

 2.10.87
Deputy County Attorney

ECT3



BART BARKER
Chairman
Salt Lake County Commission

LARRY MEYER
Administrative Assistant

August 28, 1986

Mr. J. Burgess Winter
Vice President - General Manager
Utah Copper Division
Kennecott Corporation
P. O. Box 525
Bingham Canyon, Utah 84006-0525

Subject: Agreement for Use of Riter Canal for Stormwater Purposes

Dear Mr. Winter:

Salt Lake County's staff has been negotiating with representatives of Kennecott for several years regarding the use of the Riter Canal to carry stormwater from areas of West Valley City and Unincorporated Salt Lake County. These negotiations have come to a point where we believe that a workable agreement can be completed.

We request that Kennecott formally consider proceeding with this agreement as a basis for the orderly development of areas in Salt Lake County north of 3100 South Street and west of 4000 West. This large area is expected to develop in a combination of residential and commercial land uses in keeping with the West Valley City and Salt Lake County Master Plans for future development. Use of the Riter Canal will save millions of dollars in storm drain or open channel construction which would otherwise be required to drain this large area.

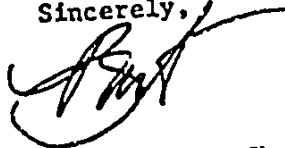
Salt Lake County maintains the major drainage facilities in this area and those which drain the discharge from Kennecott's operations in the Magna area. As part of the processing of this agreement, the County Flood Control Division will issue permits to Kennecott for the continued discharge of stormwater and process water into the storm drainage system maintained by Salt Lake County. We believe that conclusion of the proposed agreement is of major benefit to Kennecott, West Valley City and Salt Lake County.

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Page Two
August 28, 1986
Mr. J. Burgess Winter
Kennecott Corporation

Kennecott's approval for the use of their canal will be a major contribution toward the orderly development of a large portion of West Valley City and a major area in Unincorporated Salt Lake County. We appreciate Kennecott's willingness to help with the development in this way.

Sincerely,



Bart Barker, Chairman
Salt Lake County Commission

BB/se
cc: Mr. Earl Tingey
Mr. Greg Boyce

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West Valley City

Attachment B

August 25, 1986

J. Burgess Winter
Vice President/General Manager
Utah Copper Division
Kennecott Copper Corp.
P.O. Box 525
Bingham Canyon, UT 84006-0525

RE: Agreement for use of Riter Canal for
Storm Water Purposes

Dear Mr. Winter:

Salt Lake County has been negotiating with representatives of Kennecott for several years regarding the use of the Riter Canal to carry storm water from areas of West Valley City and unincorporated Salt Lake County. These negotiations have come to a point where we believe a workable agreement can be completed.

We hereby request that Kennecott formerly consider proceeding with an agreement for the use of the Riter Canal as a basis for the orderly development of areas in West Valley City and Salt Lake County north of 3100 South Street and west of 4000 West. This large area is expected to develop in a combination of residential and commercial land uses, in keeping with the West Valley City and Salt Lake County Master Plans for future development. Use of the Riter Canal will save millions of dollars in storm drain or open channel construction, which would otherwise be required to drain this large area.

Currently, Salt Lake County maintains the major drainage facilities in this area and those which drain the discharge from Kennecott's operations in the Magna area.

As part of the processing of this agreement, in addition to West Valley City's use of the canal along with the unincorporated areas of Salt Lake County, permits will be issued to Kennecott for the continued discharge of storm water and process water into the storm drainage system maintained by Salt Lake County. The conclusion of the proposed agreement is of major importance and benefit to Kennecott, West Valley City, and Salt Lake County.
J. Burgess Winter

J. Burgess Winter
August 25, 1986
Page 2

Kennecott's approval for the use of their canal will be a major contribution toward the orderly development of a large portion of West Valley City and of the unincorporated Salt Lake County area. We appreciate Kennecott's willingness to help with the development of this area of the valley.

Very truly yours,



MICHAEL EMELEY
MAYOR OF WEST VALLEY CITY

ME:IRW:mw

cc: Commissioner Bart Barker,
Salt Lake County Commission

no fee

DUPLICATE RECEIPT
4700402
10 NOVEMBER 88 10:55 AM
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
SALT LAKE COUNTY REAL ESTATE
REC BY: JEDD BOGENSCHUTZ, DEPUTY

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