

25/7

WATER DEED

ENT 69000:2005 PG 1 of 7
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2005 Jun 28 10:18 am FEE 25.00 BY SN
RECORDED FOR STRAWBERRY WATER USER

JIM GILES, MANAGER OF PINE MEADOWS INVESTORS, Grantors, of 406 W SOUTH JORDAN PARKWAY #250, SOUTH JORDAN, UTAH 84095, hereby convey and warrant to the Strawberry Water Users Association Project Supply, Grantees, of P O Box 70, Payson, State of Utah, for a consideration of Ten Dollars (\$10.00) and other considerations, the following described water-right:

A right to the use of Strawberry Project Water, for the irrigation of 42.54 acres of land, evidenced by Water-Right Application for land in private ownership:

- Serial No. 1539.001 representing 52.37 acre feet of SVP Water
- Serial No. 1539.002 representing 2.18 acre feet of SVP Water
- Serial No. 1539.003 representing 2.90 acre feet of SVP Water
- Serial No. 1539.004 representing 2.55acre feet of SVP Water
- Serial No. 1612.001 representing 7.87 acre feet of SVP Water
- Serial No. 1612.002 representing 7.64 acre feet of SVP Water
- Serial No. 1612.003 representing 6.99 acre feet of SVP Water
- Serial No. 1619.013 representing 9.18 acre feet of SVP Water

of Contracts, in the office of the County Recorder of Utah County, upon which Construction Charges have been paid in full.

Said application recites that the water-right described therein is to be appurtenant to the following described Project Land in Utah county, to wit:

SEE EXHIBIT A

There are no mortgages or other liens against said land, except the following:

As a result of this conveyance, the quantity of water which can be beneficially used for the irrigation not exceeding a total of 91.68 acre feet per annum will be transferred to STRAWBERRY WATER USES ASSOCIATION FOR THE STRAWBERRY VALLEY PROJECT WATER SUPPLY

The Strawberry Water Users Association and the East Bench Canal Company do hereby reserve all rights and interests as contained in paragraph 9 of the original Water Right Application covering Water Right Serial No. 1539 AND 1612 AND 1619 and pertaining to the above described parcels of land.

The Grantee assumes the obligations imposed upon the applicant by the said water-right application in the ratio which the water-right hereby conveyed bears to the entire water-right evidenced by said application and hereby subjects the land last above described, and all water-rights now or hereafter appurtenant thereto, to a lien to secure payment of the annual charge for operation and maintenance, as provided in said application, and all obligations of the applicant as a member of the Strawberry Water Users Association with respect to the water-right herein conveyed.

This change shall not become effective until approved by the Strawberry Water Users Association, the East Bench Canal Company, and the Secretary of the Interior of the United States.

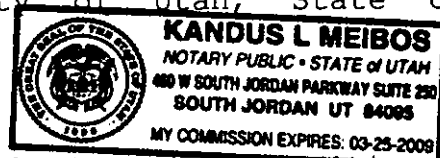
Jim Giles
PINE MEADOWS INVESTORS, LLC
MANAGER

State of Utah
County of Utah

On the 27th day of April, 2008, personally appeared before me JIM GILES, and who by me duly sworn, did say that he is the MANAGER (title of office) and that said document was signed by him in behalf of the PINE MEADOWS INVESTORS, LLC, the Grantees of this document, signers of the, within instrument who duly acknowledged to me that he executed the same

Kandus L. Meibos
Notary Public, Residing at Salt Lake
County of Utah, State of Utah

Commission Expires 3/25/2009



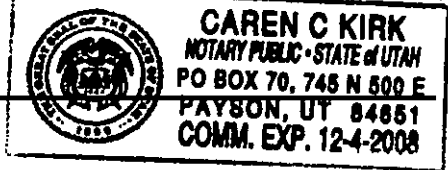
This Conveyance is accepted under the terms and conditions set out herein. Dated 27 Day of April, 2008.

Strawberry Water Users Association

State of Utah
County of Utah

On the 11 day of May, 2005, personally appeared before me William Gary Brown and who by me duly sworn, did say that he is the President (title of office) and that said document was signed by him in behalf of the STRAWBERRY WATER USERS ASSOCIATION, the Grantees of this document, signers of the within instrument who duly acknowledged to me that he executed the same.

Caren C Kirk
Notary Public
Residing at



Approved:

East Bench Canal Company

[Signature]
Secretary

[Signature]
President

Strawberry Water Users Association



Approved:

[Signature]
Secretary

y: William Gary Brown
President

Approved:

By: [Signature]
Authorized Representative of
the Secretary of the Interior

INDEMNITY AGREEMENT

This Agreement dated this 27 day of April, 2005, by and between Jim Giles, Pine Meadows Investors, LLC, hereinafter referred to as Transferor, and Strawberry Water Users Association, hereinafter as Transferees.

WHEREAS: The transferor has a total of 91.68 acre feet of Strawberry Project Water, Serial No. 1539.001 1539.002 1539.003 1539.004 1612.001 1612.002 1612.003 1619.013 which they are desirous to transfer from Project lands owned by them, and described in the attached instrument, and attach the said water to other Project lands owned by the Transferees, and described in the attached instrument, the parties hereto agree and covenant as follows:

In the event that the Transferor has the land, upon which the Project Water is appurtenant, encumbered by a mortgage or other encumbrance, and in the event the said land is sold or foreclosed upon and the water should be claimed by other individuals than the Transferee, the Transferors hereby agree and covenant that they will hold the Strawberry Water Users Association and the East Bench Canal Company harmless from any actions which will include all damages, attorney's fees and all costs which may be expended by said Strawberry Water Users Association or the Canal Company.



JIM GILES, PINE MEADOWS INVESTORS, LLC

EXHIBIT A

Commencing North 0 d 24'24" West 495.59 feet along the $\frac{1}{4}$ Section line and East 33.04 feet from the South $\frac{1}{4}$ corner of Section 29 Township 8 South Range 3 East SLB&M; North 89d00'57" East 110 feet; North 0 d 24'24" West 44.35 feet; North 7 d 29'00" W 81.13 feet; North 0 d 24'24" West 1239.03 feet; East 100 feet; South 85 d 14'22" East 60.24 feet; East 867.74 feet; North 84 d 39' 03" East 60.24 feet; East 100 feet; North 0 d 15'07" West 118.13 feet along the west line of Abbie Court Plat A; West 1288.08 feet along the south line of Purnell Estates Plat A; S 0 d 24'24" East 1484.46 feet along the East line of 1700 East Street to the point of beginning.

Also

Commencing North 0 d 24'24" West 497.48 feet along the $\frac{1}{4}$ section line and East 143.04 feet from the South $\frac{1}{4}$ corner of Section 29 T 8 S R 3 E SLB&M; thence North 89d00'57" E 1186.15 feet along existing fence; N 344.17 feet along the west line of Maple Meadows Subdivision; West 160 feet; North 42.25 feet; West 100 feet; North 176 feet; West 100 feet; S 86 d 11' 09" W 60.13 feet; West 95.03 feet; North 100 feet; N 0d53'01" W 60.01 feet; North 100 feet; West 525.96 feet; N 85 d 14'21" W 60.25 feet; West 100 feet; South 0d24'24" East 719.02 feet; S 7d29'00" East 81.13 feet South 0 d 24'24" East 44.35 feet to the point of beginning.

Also

Commencing North 0 d 24' 24" West 1341.29 feet along the $\frac{1}{4}$ section line and East 133.04 feet from the S $\frac{1}{4}$ corner of Section 29, T 8 S R 3 E, SLB&M; East 100 feet; S 85 d 14'21" East 60.25 feet; East 525.96 feet; South 100 feet; S 0 d 53 d 01" East 60.01 feet; South 100 feet; East 95.03 feet; N 86 d 11'09" E 60.13 feet' East 100 feet; South 176 feet;' East 100 feet; south 42.25 feet; East 160 feet; North 733.23 feet along west line of Maple Meadows Plats A & B; S 89 d 12'20" W 16.72 feet along South line of Abbie Court Plat A, West 100 feet; S 0d24'24" East 520.01 feet along the East line of 1700 East street to the point of beginning.

**STRAWBERRY WATER USERS ASSOCIATION
WATER PARKING AGREEMENT**

Office Use: Shareholder Name PINE MEADOWS INVESTORS, LLC

Account # _____

Serial No. 1539.001 1539.002 1539.003 1539.004 1612.001 1612.002 1612.003 1619.013

Acre-feet 91.68

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The Strawberry Water Users Association's ("SWUA") Articles of Incorporation state that shares of SWUA Class S stock, and the right to use water represented by those shares, are appurtenant to specific parcels of land. SWUA Articles of Incorporation provide a mechanism for separating SWUA shares from the land and making them appurtenant to other lands with the appropriate approvals. The SWUA Board of Directors has determined that it is reasonable and necessary to provide a mechanism for SWUA shareholders to separate SWUA shares from specific lands and "park" them with SWUA temporarily while arrangements are being made to once again make those SWUA shares appurtenant to specific lands as described in the SWUA Articles of Incorporation. If lands to which SWUA shares are appurtenant are to be sold for development, the shares should be separated from the land and made appurtenant to other land so that the water may be appropriately used. The SWUA shareholder may require time to locate a buyer for the SWUA shares, or may require time to acquire appropriate replacement lands to which the SWUA shares may be attached. It must be emphasized, however, that the concept of appurtenance was intended to prevent speculation in, and monopolization of, water resources. Parking should not be used for speculation or monopolization. For that reason SWUA shares may be parked for only a limited period of time.

Therefore, SWUA shares may be temporarily separated from the lands to which those shares are appurtenant and held by SWUA for the benefit of the applying SWUA shareholders under the following conditions only:

1. SWUA shareholders who desire to park shares must fill out and sign a Water Deed form. The form must be complete and must be signed and notarized by all those persons or entities that SWUA determines may have an interest in either the SWUA shares in question or the land to which the SWUA shares in question are appurtenant. The Water Deed form must be approved and signed by the Department of the Interior (DOI), the Strawberry Water Users Association (SWUA) Board of Directors and the Board of Directors of the canal company which delivered the water prior to parking.
2. The SWUA shareholder(s) who wishes to park SWUA shares must fill out and sign a Water Parking Agreement form. The form must be complete and must be signed and notarized by all those persons or entities that SWUA determines may have an interest in the SWUA shares in question or the lands to which the SWUA shares in question are appurtenant.
3. The Water Parking Agreement form must be approved by the Board of Directors of the canal company and SWUA Board of Directors. The SWUA Water Parking form will not be approved if the board of directors determines that the proposed parking may be for purposes of speculation or monopolization, that there is a dispute regarding title to the SWUA shares in question or the land to which the SWUA shares in question are appurtenant, or approval is not in the best interests of SWUA or its shareholders.
4. The applying SWUA shareholder(s) must pay a parking application fee of \$50.00 per application, together with an annual charge of \$50.00 per year per application. This fee is subject to change without notice to SWUA shareholders. SWUA may in its discretion require prepayment or reimbursement of any expenses incurred or to be incurred by SWUA in processing or evaluating the Parking Agreement, including legal or title search fees, and/or an indemnity bond to assure that SWUA is protected from title disputes. The Water Parking Agreement form fee, and funds necessary to reimburse SWUA expenses, are not refundable if the Water Deed form is not approved by SWUA, DOI or the canal company.
5. While shares are parked, all SWUA and canal company assessments remain the responsibility of the applying SWUA shareholder(s). The parked SWUA shares may be sold to satisfy unpaid assessments consistent with SWUA Articles of Incorporation and applicable law.

6. The parked SWUA shares may only be voted in the District where water was delivered to the shareholder before parking.

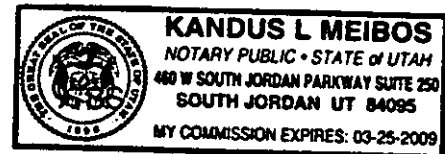
- 7. SWUA shares may not be parked for more than five (5) years. Extensions of a yearly period, not to exceed a total of three (3) years, must be approved by the SWUA Board of Directors and must be signed by SWUA. Extensions will be granted only if the SWUA shareholders in question make a written request for extension and provide evidence acceptable to the SWUA Board of Directors that the SWUA shareholder(s) in question have used reasonable diligence to reattach the subject SWUA shares to appropriate lands. If after reasonable efforts to notify the SWUA shareholders in question the shares remain parked at the termination of the five (5) years or any proper extension of that period, SWUA shall purchase, and the SWUA shareholders in question shall sell, the SWUA shares for \$400.00 per share.
- 8. While SWUA shares are parked, SWUA may in its discretion rent the water represented by those shares to other SWUA shareholders, but SWUA has no obligation whatever to do so. SWUA may use the rental fees to pay SWUA and canal company assessments on those shares and annual fees due under this Agreement. SWUA will make every reasonable effort to first lease the shares to the canal company that delivered the water before parking. SWUA will not refund any net credit balance after paying assessment and annual fees until the shares are once again attached to appropriate lands.
- 9. Once the Water Deed form and Water Parking Agreement form have been approved and signed by the entities involved, the shares in question will be transferred on the books and records of SWUA to the name of "Strawberry Water Users Association held for the benefit of PINE MEADOWS INVESTORS, LLC _____ (the applying SWUA shareholder(s))" and shall no longer be considered to be appurtenant to specific Strawberry Valley Project lands.
- 10. To attach parked shares to other SVP lands, another Water Deed form must be processed consistent with the SWUA Articles of Incorporation and then existing policies established by the SWUA Board of Directors. This process will include additional Water Deed form fees.

Jim Miles
PINE MEADOWS INVESTORS, LLC

This Water Parking Agreement is accepted under the terms and conditions set out herein.

Dated 27th Day of April, 2009.

STATE OF UTAH)
COUNTY OF UTAH)



On the 27th day of April, 2009, personally appeared before me Kandus L Meibos and _____ who duly acknowledged to me that they executed the foregoing Water Parking Agreement.

Kandus L Meibos
Notary Public, Residing at Salt Lake
County of Utah, State of Utah Commission Expires 3/25/2009

Commission Expires _____

Approved: _____
Attest: Oliver
Secretary

East Bench Canal Company
By: Feob G Vincent
President

Approved: _____
Attest: _____
Secretary

Strawberry Water Users Association
By: Wm Gary Brown
President