

62
24

ENT 102885:2002 PG 1 of 24
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2002 Sep 05 8:46 am FEE 62.00 BY SN
RECORDED FOR DOT ADVENTURES INC

WHEN RECORDED RETURN TO:

Richard G. Allen
P.O. Box 254
Lehi, UT 84043

WATER RIGHT ALLOCATION AGREEMENT
WITH WATER RIGHT CONVEYANCES

THIS WATER RIGHT ALLOCATION AGREEMENT WITH WATER RIGHT CONVEYANCES is made and entered into effective as of August 7th, 2002 by and between the B.W. INC. ("BW"), DON BRANDT ("Brandt"), PEN & INK, LTD ("Pen") and PLEASANT GROVE CITY ("City").

RECITALS:

A. BW and Brandt were the owners of several parcels of land in Utah County, Utah described as Parcel 1, Parcel 2, Parcel 3 and Parcel 4 in Exhibit A to this Agreement. BW and Brandt are also the owners of that certain parcel of land in Utah County, Utah described as Parcel 5 in Exhibit A to this Agreement.

B. Prior to the conveyances referred to in Recital D below, BW and Brandt owned all of the Water Rights appurtenant to the Property described in Exhibit A to this Agreement. Those water rights are believed to be and include the following numbered water rights: 55-4795, 55-6784, 55-1010, 55-7724, 55-7680 and 55-7688 (collectively the "Subject Water Rights").

C. The records of the Utah Division of Water Rights (the "Division") shows Water Right 55-4795 as being appurtenant to Parcels 1 through 3; Water Rights 55-6784 and 55-1010 as supplemental water rights appurtenant to Parcel 4; and Water Rights 55-6784, 55-1010 55-7724, 55-7680 and 55-7688 all as supplemental water rights appurtenant to Parcel 5.

D. By Special Warranty Deed dated July 1, 1997, BW conveyed to DAL Holdings, LLC ("DAL") its undivided ownership interest in Parcels 1 through 4 (a copy of which deed is attached as Exhibit B to this Agreement). By Special Warranty Deed dated July 1, 1997, Brandt conveyed to DAL his undivided ownership interest in Parcels 1 through 4 (a copy of which deed is attached as Exhibit C to this Agreement). Exhibit B to both of the Deeds attached as Exhibit B and Exhibit C to this Agreement describes the portions of the Subject Water Rights conveyed to DAL and retained by BW and Brandt.

E. DAL deeded to Pen all of the land covered by Parcels 1 through 4 by Warranty Deed dated December 30, 1997. DAL subsequently conveyed to Pen by Warranty Deed dated August 26, 1998 (a copy of which deed is attached as Exhibit D to this Agreement) the portions of the Subject Water Rights conveyed to DAL by BW and Brandt by the deeds referred to in Recital D above (except that a typographical error caused Water Right 55-6784 to be referred to as 55-6786).

F. By Warranty Deed dated August 26, 1998 (a copy of which deed is attached as Exhibit E to this Agreement) Pen conveyed to the City the portions of the Subject Water Rights described in that Deed.

G. Attached as Exhibit F to this Agreement is a map showing the locations of Parcels 1 through 5.

H. The Subject Water Rights appurtenant to Parcel 4 are supplemental to each other and the supplemental Water Rights appurtenant to Parcel 4 are also appurtenant to Parcel 5 as supplemental water rights to the other Subject Water Rights appurtenant to Parcel 5 that are also supplemental to each other. Because of complication of numerous water rights being supplemental to each other and appurtenant to multiple Parcels and because the sources of various supplemental water rights are or may be combined, it is extremely difficult, if not impossible, to quantify the conveyances of the various supplemental Subject Water Rights in the deeds referred to in Recitals D, E and F above (Exhibits B, C, D and E).

I. This Agreement is being executed by the parties to agree as to the allocation of the Subject Water Rights between the various Parcels and parties according to the intent of the parties in the above conveyances and to make such conveyances and of water rights between the parties as are necessary and/or advisable to vest in the various parties the portions of the Subject Water Rights agreed to herein.

AGREEMENT:

NOW THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter set out, the parties agree as follows:

1. The parties agree that the ownership of the Subject Water Rights shall be allocated between the parties and between the above Parcels as follows:

1.1. Pen is and shall be the owner of the following water rights upon the execution of this Agreement by the parties:

All of Water Right 55-4795 less 37.50 acre feet of that Water Right which is owned by the City. Water Right 55-4795 is appurtenant to Parcels 1, 2 and 3 except to the extent the City may have taken action to make such water right not appurtenant to said parcels.

All of the irrigation portion of Water Right 55-6784 that has been appurtenant to Parcel 4 less the 37.50 acre feet of Water Right 55-6784 and Water Right 55-1010 owned by the City.

All of the irrigation portion of Water Right 55-1010 that has been appurtenant to Parcel 4 less the 37.50 acre feet of Water Right 55-1010 and Water Right 55-6784 owned by the City

1.2. BW, as to an undivided 70% interest, and Brandt, as to an undivided 30% interest, are and shall be the joint owners of the following water rights upon the execution of this Agreement by the parties:

All of the irrigation portion of Water Right 55-6784 that has been appurtenant to Parcel 5 and all stock watering rights in Water Right 55-6784.

All of the irrigation portion of Water Right 55-1010 that has been appurtenant to Parcel 5 and all stock watering rights in Water Right 55-1010.

All of Water Right 55-7724, 55-7680 and 55-7688.

1.3. City is and shall be the owner of the following water rights upon the execution of this Agreement by the parties:

37.50 acre feet of Water Right 55-4795.

37.50 acre feet of the irrigation portions of Water Right 55-6784 and Water Right 55-1010 that have been appurtenant to Parcel 4. City shall have a total of the 37.5 acre feet from these two water rights combined and not 37.5 acre feet of each.

1.4. The parties agree that under the above water right allocations, the irrigation water rights owned by Pen cover a total of 118.6 acre feet ("af") of water (48.4 acres x 4 af = 193.6 af - 75.0 af = 118.6 af); that the irrigation water rights owned by BW and Brandt cover a total of 61.2 af of water (15.3 acres x 4 af = 61.2 af); and that the irrigation water rights owned by City cover a total of 75.0 af of water (37.5 af + 37.5 af = 75 af). The parties also agree that Pen owns any and all stock water rights under Water Right 55-4795 and that BW and Brandt own any and all stock water rights under Water Rights 55-1010, 55-6784, 55-7724, 55-7680 and 55-7688.

2. Pen hereby grants, conveys and releases to BW and Brandt any and all right, title and interest Pen may have in all of the portions of the Subject Water Rights allocated to BW and Brandt in Section 1.2 above and warrants such conveyance against all claiming by, through or under Pen. Pen hereby grants, conveys and releases to the City any and all right, title and interest Pen may have in all of the portions of the Subject Water Rights allocated to the City in Section 1.3 above and warrants such conveyance against all claiming by, through or under Pen.

3. BW and Brandt jointly and severally hereby grant, convey and release to Pen any and all right, title and interest BW and/or Brandt may have in all of the portions of the Subject Water Rights allocated to Pen in Section 1.1 above and warrant such conveyance against all claiming by, through or under BW and/or Brandt. BW and Brandt jointly and severally hereby grant, convey and release to the City any and all right, title and interest BW and/or Brandt may have in all of the portions of the Subject Water Rights allocated to the City in Section 1.3 above and warrant such conveyance against all claiming by, through or under BW and/or Brandt.

4. The City hereby grants, conveys and releases to BW and Brandt any and all right, title and interest the City may have in all of the portions of the Subject Water Rights allocated to BW and Brandt in Section 1.2 above and warrants such conveyance against all claiming by, through or under the City. The City hereby grants, conveys and releases to Pen any and all right, title and interest the City may have in all of the portions of the Subject Water Rights allocated to Pen in Section 1.1 above and warrants such conveyance against all claiming by, through or under the City.

5. Pen and BW and Brandt agree that ownership of the water wells covered by Water Right 55-1010 shall be as follows:

5.1. Pen is and shall be the owner of 50% of the flow rate (0.82 cfs) and 100% of the East well facilities (Well #1 located South 101 feet West 936 feet from the East $\frac{1}{4}$ Corner, Section 30, Township 5 South Range E East, SLBM).

5.2. BW and Brandt is and shall be the owner of 50% of the flow rate (0.82 cfs) and 100% of the West well facilities (Well #2 located South 94 feet West 974 feet from the East $\frac{1}{4}$ Corner, Section 30, Township 5 South Range E East, SLBM).

5.3. The above division of ownership of flow rates and water well facilities shall not result in any diminution in the acre foot allocation of Pen's rights and the City's rights below the irrigation portion of Water Right 55-1010 that has been appurtenant to Parcel 4. It is expected that 0.82 cfs is more than enough flow to supply all of the water needed to meet the requirements for the irrigation portion of Water Right 55-1010 that has been appurtenant to Parcel 4.

5.4. Notwithstanding the above division of ownership of water well facilities, Pen may continue as it is currently to use the water from both wells as a source of water for its ponds and fountains and to water lawns from the pond and may use the wells to irrigate Parcel 4; and, BW and Brandt shall continue to receive its share of the allocation of the flow rights as it is currently by overflow from the ponds flowing through a pipe into the Proctor Ditch. In the event Pen or its successors shall interfere with the flow of sufficient water to the Proctor Ditch or in the event BW and Brandt are not for any other reason receiving their allocated share of the flow rights under Water Right 55-1010 or in the event they otherwise need direct access to Well #2, BW and Brandt or their successor shall have the right to access Well #2 and

Pen or its successor shall grant an easement to BW and Brandt or their successor on and across Parcel 4 to maintain and operate Well #2 and to install, operate and maintain a pipeline (or a ditch with the consent of Pen or its successor) from Well #2 to Proctor Ditch. That easement shall (at Pen's or its successor's election) either be across the North end of Parcel 4 or along the East and South sides of the existing developments on Parcel 4 or shall follow another mutually agreed to route.

6. The parties agree to execute such further documents and to take such further action as may be necessary to carry out the intent and purposes of this Agreement.

7. This Agreement shall be perpetual and shall be a covenant running with the land and water rights of each party and shall bind and inure to the benefit of the parties hereto and their successors and assigns.

8. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and such counterparts together shall constitute one and the same instrument. Multiple signature pages and acknowledgments from separate counterparts may be attached to one counterpart and be recorded as a single instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

PEN & INK, LTD

By [Signature]
Its General Partner

BW, INC.

By [Signature] Baker
Its President

[Signature]
DON BRANDT



PLEASANT GROVE CITY
By [Signature]
Its Mayor

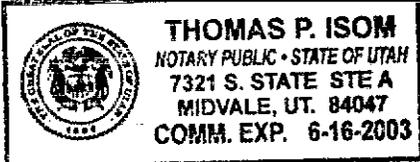
ATTEST:

[Signature]

Recorder

STATE OF UTAH)
 : SS.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 30 day of August, 2002, by Jeanette R. Lynton as General Partner of Pen & Ink, Ltd.



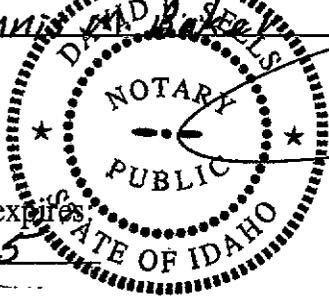
[Signature]

Notary Public
Residing at: Pleasant Grove

My commission expires:
6-16-2003

STATE OF Idaho)
 : SS.
COUNTY OF ADA)

The foregoing instrument was acknowledged before me this 27th day of August, 2002, by Dennis D. Bates as President of BW, Inc.



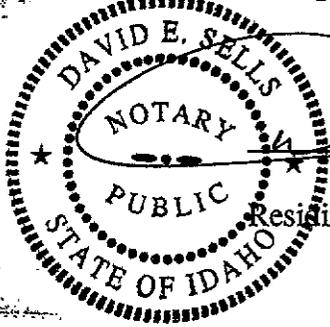
[Signature]

Notary Public
Residing at: Meredian, Id.

My commission expires:
10-28-05

STATE OF Idaho)
 : SS.
COUNTY OF ADA)

The foregoing instrument was acknowledged before me this 27th day of August, 2002, by Don Brandt.



[Signature]

Notary Public
Residing at: Meredian, Id.

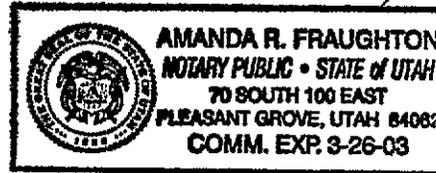
My commission expires:
10-28-05

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 3rd day of July, 2002, by Jim A. Dinkler as Mayor and Amanda R. Fraughton as Recorder of Pleasant Grove City.

Amanda R. Fraughton
Notary Public
Residing at: Utah County

My commission expires:
3-26-03



2002138.4

Exhibit AParcel 1

Beginning at a point 112.20 South 0 deg. 10'09" East along the section line from the East quarter corner of said Section 30, and running thence West 181.50 feet; thence North 6.60 feet; thence West 354.42 feet; thence South 1055.58 feet to a point on the North line of the Blackhurst property; thence South 89 deg. 59'24" East 295.11 feet along said property to the westerly line of the Pleasant Grove City Property; thence North 13 deg. 34'25" East 51.94 feet along said City Property to an existing fence; thence North 89 deg. 18'05" East 231.58 feet along said existing fence to the section line; thence North 0 deg. 10'09" West 995.72 feet along said Section line to the point of beginning.

Parcel 2

Beginning at a point 893.88 feet South 89 deg. 37'36" West along the quarter section line and 82.75 feet South from the East quarter corner of said Section 30; and running thence North 89 deg. 28' East 357.64 feet; thence South 1075.93 feet to a point on the North line of the Blackhurst Property; thence along said Blackhurst property the following two courses: North 89 deg. 59'24" West 49.90 feet to the Northwest corner thereof and South 265.45 feet; thence West 8.16 feet; thence North 0 deg. 10'11" West 6.47 feet; thence South 89 deg. 32'26" West 220.35 feet; thence North 660.14 feet; thence West 79.20 feet; thence North 673.20 feet to the point of beginning.

Parcel 3

Beginning at a point 893.88 South 89 deg. 37'36" West along the quarter Section line and 755.95 feet South from the East quarter corner of said Section 30, and running thence South 660.78 feet; thence North 89 deg. 32'26" East 79.20 feet; thence North 660.14 feet; thence West 79.20 feet to the point of beginning.

Parcel 4

Beginning at a point 893.88 feet South 89 deg. 37'36" West along the quarter section line and 76.93 feet South from the East quarter corner of said Section 30; and running thence South 89 deg. 28' West 861.37 feet to a point on the projection of an existing fence line along the West line of 1300 West Street; thence along said fence line the following two courses: South 9 deg. 34'38" East 173.47 feet; and South 0 deg. 20'35" West 1174.61 feet; thence East 25.23 feet; thence North 7.33 feet; thence North 89 deg. 32'26" East 814.30 feet; thence North 1339.80 feet to the point of beginning.

Parcel 5

Commencing at a point which is West 594 feet from the Southeast corner of Section 30, Township 5 South, Range 2 East, Salt Lake Meridian, thence South 82.5 feet; thence West 130 feet; thence North 660 feet; thence West 344.64 feet; thence North 0 deg. 24'18" East 640.02 feet; thence West 451.88 feet; thence North 17.53 feet; thence North 89 deg. 32'26" East 1113.85 feet; thence South 0 deg. 10'11" East 6.47 feet; thence East 8.16 feet; thence South 1237.5 feet to beginning.

ORIGINAL NOT LEGIBLE

Recorded at Request of DAL HOLDINGS, LLC ENT 50635 BK 4311 PG 328
at _____, M. Fee Paid \$ _____ 738 East Quality RECORDED FOR DACKMAN-STEWART TITLE SERVI
by _____ American Fork, Utah 84003
Dep. Book _____ Page _____ Ref.: _____
Mail tax notice to _____ Address _____

RANDALL A. COVINGTON
UTAH COUNTY RECORDER
1997 Jul 02 2:27 PM FEE 21.00 BY JW

SPECIAL WARRANTY DEED

[CORPORATE FORM]

B. W. INC. _____, a corporation organized and existing under the laws of the State of IDAHO, with its principal office at Boise _____, of County of Ada, State of Idaho grantor, hereby CONVEYS AND WARRANTS against all claiming by, through or under it to DAL HOLDINGS, LLC

_____ grantee for the sum of _____ DOLLARS Ten and no/100 dollars and other good and valuable consideration of the following described tract of land in _____ Utah _____ County, State of Utah:
(See Exhibit "A" attached hereto and by this reference made a part hereof.)
(Water Rights-See Exhibit "B")

The officers who sign this deed hereby certify that this deed and the transfer represented thereby was duly authorized under a resolution duly adopted by the board of directors of the grantor at a lawful meeting duly held and attended by a quorum.
In witness whereof, the grantor has caused its corporate name and seal to be hereunto affixed by its duly authorized officers this _____ 1st day of July _____, A. D. 1997

Attest:

Secretary.

[CORPORATE SEAL]

B. W. INC.
By _____
Dennis M. Baker
DENNIS M. BAKER President.

STATE OF UTAH,
County of Salt Lake

ss.

On the _____ 1st day of July _____, A. D. 1997 personally appeared before me Dennis M. Baker and _____ who being by me duly sworn did say, each for himself, that he, the said Dennis M. Baker is the _____ president, and he, the said _____ is the secretary of B. W. INC. _____, and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Dennis M. Baker and _____ each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

NOTARY PUBLIC
JIM CROCKATT
7070 Union Park Ct. #150
Midvale, Utah 84047
My Commission Expires
July 3, 1997
STATE OF UTAH

Notary Public.
My residence is _____

ORIGINAL NOT LEGIBLE

EXHIBIT "A"

LEGAL DESCRIPTION

ENT 102885:2002 PG 10 of 24

~~ENT 102885:2002 PG 10 of 24~~

ORIGINAL NOT LEGIBLE

PARCEL 1:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 112.20 South 0 deg. 10'09" East along the section line from the East quarter corner of said Section 30, and running thence West 181.50 feet; thence North 6.60 feet; thence West 354.42 feet; thence South 1055.58 feet to a point on the North line of the Blackhurst property; thence South 89 deg. 59'24" East 295.11 feet along said property to the Westerly line of the Pleasant Grove City Property; thence North 13 deg. 34'25" East 51.94 feet along said City Property to an existing fence; thence North 89 deg. 18'05" East 231.58 feet along said existing fence to the section line; thence North 0 deg. 10'09" West 995.72 feet along said Section line to the point of beginning.

PARCEL 2:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 893.88 feet South 89 deg. 37'36" West along the quarter section line and 82.75 feet South from the East quarter corner of said Section 30; and running thence North 89 deg. 28' East 357.64 feet; thence South 1075.93 feet to a point on the North line of the Blackhurst Property; thence along said Blackhurst property the following two courses: North 89 deg. 59'24" West 49.90 feet to the Northwest corner thereof and South 265.45 feet; thence West 8.16 feet; thence North 0 deg. 10'11" West 6.47 feet; thence South 89 deg. 32'26" West 220.35 feet; thence North 660.14 feet; thence West 79.20 feet; thence North 673.20 feet to the point of beginning.

PARCEL 3:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 893.88 South 89 deg. 37'36" West along the quarter Section line and 755.95 feet South from the East quarter corner of said Section 30, and running thence South 660.78 feet; thence North 89 deg. 32'26" East 79.20 feet; thence North 660.14 feet; thence West 79.20 feet to the point of beginning.

PARCEL 4:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East,
Continued on next page

dmb

Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County,
Utah:

Beginning at a point 893.88 Feet South 89 deg. 37'36" West along the quarter section line and 76.93 feet South from the East quarter corner of said Section 30; and running thence South 89 deg. 28' West 861.37 feet to a point on the projection of an existing fence line along the West line of 1300 West Street; thence along said fence line the following two courses: South 9 deg. 34'38" East 173.47 feet; and South 0 deg. 20'35" West 1174.61 feet; thence East 25.23 feet; thence North 7.33 feet; thence North 89 deg. 32'26" East 814.30 feet; thence North 1339.80 feet to the point of beginning.

Subject to current general taxes, easements, restrictions and rights of way of record.

ORIGINAL NOT LEGIBLE

lmb

EXHIBIT "B"

TOGETHER WITH:

Those certain water rights, described below, which are used in connection with or appurtenant to the above-described tracts of land, as described of record in the office of the Utah State Engineer of the Utah Division of Water Rights:

1. A 50% interest in the underground well water rights and the rate of flow described in the two wells described in Water Right No. 55-1010;
2. A 100% interest in Water Right No. 55-4795;
3. A 25/40th interest in the surface rights only described in Water Right No. 55-6784, and
4. A 25/40th interest in the surface rights only described in Water Right No. 55-7724

This transfer of water rights is without warranty of any kind

Grantor specifically excludes from this transfer, and retains to itself, the following water rights

1. Any interest in Water Right Nos. 55-3676, 55-1546, 55-7680, and 55-7688.
2. Grantor's interest in all of the surface water rights described in Water Right No. 55-1010, except as specifically and expressly otherwise granted above;
3. Grantor's interest in all of the underground well water rights described in Water Right Nos. 55-6784 and 55-7724, except as specifically and expressly otherwise granted above, and
4. Any other water rights owned by Grantor not specifically granted above.

Utah State Engineer's Office

clmb

ORIGINAL NOT LEGIBLE

Subject to and reserving unto the Grantor it's successors and assigns, a Right of Way for Ingress and Egress over and across the following described property:

A 50 foot wide Access Easement described as follows:

A part of the Southeast Quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey in Pleasant Grove, Utah County, Utah:

Beginning at a point on the projection of an existing fence on the East Line of 1300 West Street being 1685.56 feet South 89°37'36" West along the Quarter Section Line and 1417.92 feet South from the East Quarter Corner of said Section 30; and running thence North 0°48'43" East 50.01 feet along said fence line projection; thence North 89°32'26" East 489.09 feet; thence South 0°24'18" West 50.01 feet to Grantor's South Property Line; thence South 89°32'26" West 489.44 feet along said South Line to the point of beginning.

ORIGINAL NOT LEGIBLE

7-31-1997 3:53PM FROM

ENT 50636 BK 4311 PG
RANDALL A. BOOTHBY
UTAH COUNTY RECORDER
1997 Jul 02 2:23 PM FEE 22.00 BTRW
RECORDED FOR BACKMAN-STEWART TITLE SERVI

WHEN RECORDED, MAIL TO:

DAL HOLDINGS, LLC
738 East Quality Drive
American Fork, Utah 84003

Space Above for Recorder's Use

WARRANTY DEED

(Special)

DONALD K. BRANDT grantor
of Boise, Idaho hereby

CONVEY AND WARRANT against all claiming by, through or under
DAL HOLDINGS, LLC
to

grantee

of American Fork, County of Utah, State of Utah for the sum of
Ten and no/100 DOLLARS,
and other good and valuable consideration

the following described tract of land in Utah County,
State of Utah:

(See Exhibit "A" attached hereto and by this reference made a part hereof.)
(Water Rights-See Exhibit "B")

WITNESS, the hand of said grantor, this 1st day of
July, A. D. 19 97

Signed in the Presence of

Donald K. Brandt
DONALD K. BRANDT

STATE OF ~~UTAH~~ IDAHO } ss.
County of

On the 1st day of July, A. D. 19 97
personally appeared before me
Donald K. Brandt
the signer of the within instrument, who duly acknowledged to me that he executed the
same.

[Signature]
Notary Public.

My commission expires 6-22-99 Residing in [Signature]

ORIGINAL NOT LEGIBLE

STATE OF UTAH
COUNTY OF Salt Lake } ss.

On the 2nd day of June July, 1997, personally appeared before me
Donald K. Brandt

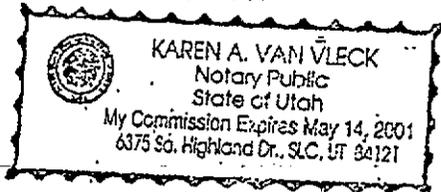
the signer of the within instrument, who duly acknowledged to me that he executed the same.

My commission expires May 14, 2001

Karen A. Van Vleck

Residing in Salt Lake County

Notary Public



ORIGINAL NOT LEGIBLE

~~ENT 102885:2002 PG 16 of 24~~

EXHIBIT "A"

LEGAL DESCRIPTION

ORIGINAL NOT LEGIBLE

PARCEL 1:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 112.20 South 0 deg. 10'09" East along the section line from the East quarter corner of said Section 30, and running thence West 181.50 feet; thence North 6.60 feet; thence West 354.42 feet; thence South 1055.58 feet to a point on the North line of the Blackhurst property; thence South 89 deg. 59'24" East 295.11 feet along said property to the Westerly line of the Pleasant Grove City Property; thence North 13 deg. 34'25" East 51.94 feet along said City Property to an existing fence; thence North 89 deg. 18'05" East 231.58 feet along said existing fence to the section line; thence North 0 deg. 10'09" West 995.72 feet along said Section line to the point of beginning.

PARCEL 2:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 893.88 feet South 89 deg. 37'36" West along the quarter section line and 82.75 feet South from the East quarter corner of said Section 30; and running thence North 89 deg. 28' East 357.64 feet; thence South 1075.93 feet to a point on the North line of the Blackhurst Property; thence along said Blackhurst property the following two courses: North 89 deg. 59'24" West 49.90 feet to the Northwest corner thereof and South 265.45 feet; thence West 8.16 feet; thence North 0 deg. 10'11" West 6.47 feet; thence South 89 deg. 32'26" West 220.35 feet; thence North 660.14 feet; thence West 79.20 feet; thence North 673.20 feet to the point of beginning.

PARCEL 3:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County, Utah:

Beginning at a point 893.88 South 89 deg. 37'36" West along the quarter Section line and 755.95 feet South from the East quarter corner of said Section 30, and running thence South 660.78 feet; thence North 89 deg. 32'26" East 79.20 feet; thence North 660.14 feet; thence West 79.20 feet to the point of beginning.

PARCEL 4:

A part of the Southeast quarter of Section 30, Township 5 South, Range 2 East,
Continued on next page

~~ENT 102885:2002 PG 17 of 24~~

Subject to and reserving unto the Grantor it's successors and assigns, a Right of Way for Ingress and Egress over and across the following described property:

A 50 foot wide Access Easement described as follows:

A part of the Southeast Quarter of Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian, U.S. Survey in Pleasant Grove, Utah County, Utah:

Beginning at a point on the projection of an existing fence on the East Line of 1300 West Street being 1685.56 feet South 89°37'36" West along the Quarter Section Line and 1417.92 feet South from the East Quarter Corner of said Section 30; and running thence North 0°48'43" East 50.01 feet along said fence line projection; thence North 89°32'26" East 489.09 feet; thence South 0°24'18" West 50.01 feet to Grantor's South Property Line; thence South 89°32'26" West 489.44 feet along said South Line to the point of beginning.

ORIGINAL NOT LEGIBLE

EXHIBIT "B"

~~ENT 102885:2002 PG 18 of 24~~

TOGETHER WITH:

Those certain water rights, described below, which are used in connection with or appurtenant to the above-described tracts of land, as described of record in the office of the Utah State Engineer or Utah Division of Water Rights:

1. A 50% interest in the underground well water rights and the rate of flow described in the two wells described in Water Right No. 55-1010;
2. A 100% interest in Water Right No. 55-4795;
3. A 25/40th interest in the surface rights only described in Water Right No. 55-6784 and
4. A 25/40th interest in the surface rights only described in Water Right No. 55-7724

This transfer of water rights is without warranty of any kind.

Grantor specifically excludes from this transfer, and retains to itself, the following water rights:

1. Any interest in Water Right Nos. 55-3676, 55-1546, 55-7680, and 55-7688
2. Grantor's interest in all of the surface water rights described in Water Right No. 55-1010, except as specifically and expressly otherwise granted above,
3. Grantor's interest in all of the underground well water rights described in Water Right Nos. 55-6784 and 55-7724, except as specifically and expressly otherwise granted above; and
4. Any other water rights owned by Grantor not specifically granted above.

ORIGINAL NOT LEGIBLE

~~ENT 102885:2002 PG 19 of 24~~

ORIGINAL NOT LEGIBLE

Salt Lake Base and Meridian, U.S. Survey, in Pleasant Grove City, Utah County,
Utah:

Beginning at a point 893.88 feet South 89 deg. 37'36" West along the quarter section line and 76.93 feet South from the East quarter corner of said Section 30; and running thence South 89 deg. 28' West 861.37 feet to a point on the projection of an existing fence line along the West line of 1300 West Street; thence along said fence line the following two courses: South 9 deg. 34'38" East 173.47 feet; and South 0 deg. 20'35" West 1174.61 feet; thence East 25.23 feet; thence North 7.33 feet; thence North 89 deg. 32'26" East 814.30 feet; thence North 1339.80 feet to the point of beginning.

Subject to current general taxes, easements, restrictions and rights of way of record.

RECEIVED

WHEN RECORDED, MAIL TO:

Fred W. Finlinson
Callister Nebeker & McCullough
Gateway Tower East, Suite 900
10 East South Temple
Salt Lake City, UT 84133

SEP 15 1998
WATER RIGHTS
SALT LAKE

~~ENT 85970 W 4751 P 746
RANDALL A. COOINGTON
UTAH COUNTY RECORDER
1998 Aug 26 3:11 PM TEL 12:00 BY SP
RECORDED FOR CALLISTER NEBEKER & MC CULL~~

WARRANTY DEED

DAL HOLDINGS, L.L.C., GRANTOR, hereby CONVEYS AND WARRANTS to PEN & INK, LTD., a Utah Limited Partnership, whose address is 738 East Quality Drive, American Fork, Utah 84003, GRANTEE, for the sum of TEN DOLLARS (\$10.00) and for other good and valuable consideration, certain water rights situated in Utah County, State of Utah.

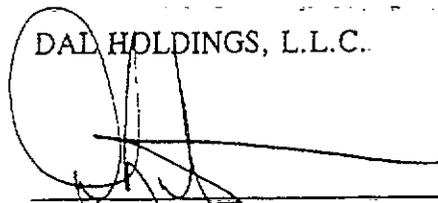
Having previously transferred real property from Grantor to Grantee as shown on a Warranty Deed dated 12/30/97, a copy of which is attached, the Grantor now wishes to convey the following water rights that are appurtenant to the land conveyed by the attached 12/30/97 Warranty Deed.

These certain water rights as described of record in the office of the State Engineer, Utah Division of Water Rights, are as follows:

1. A 50% interest in the underground well water rights and the rate of flow described in the two wells described in Water Right No. 55-1010;
2. A 100% interest in Water Right No. 55-4795;
3. A 25/40th interest in the surface rights only described in Water Right No. 55-6786; and
4. A 25/40th interest in the surface rights only described in Water Right No. 55-7724.

WITNESS, the hand of said GRANTOR, this 26 day of August, 1998.

DAL HOLDINGS, L.L.C.



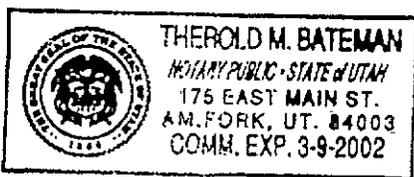
By: David M. Lynton
Its: Managing Member

SCANNED

STATE OF UTAH)
 : §
COUNTY OF UTAH)

~~BN 059723617510747~~

On this 26 day of August, 1998, personally appeared before me DAVID M. GYTON whose identity is personally known to me (or proved to me on the basis of satisfactory evidence) and who by me duly sworn (or affirmed), did say that he is the officer of the DAL HOLDINGS, L.L.C. and that said document was signed by him in behalf of said corporation by authority of its bylaws (or of a Resolution of its Board of Directors), and said acknowledgement to me that said corporation executed the same.



Theroel M. Bateman
NOTARY PUBLIC

My Commission Expires:

Residing At:

Alam, UT

SCANNED

WHEN RECORDED, MAIL TO:

WARRANTY DEED

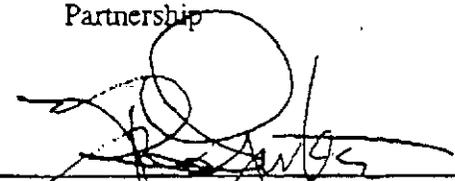
PEN & INK, LTD., a Utah Limited Partnership, GRANTOR, hereby CONVEYS AND WARRANTS to PLEASANT GROVE CITY, a Utah Municipal Corporation, whose address is 70 South 100 East, Pleasant Grove, Utah 84062, GRANTEE, for the sum of TEN DOLLARS (\$10.00) and for other good and valuable consideration, certain water rights situated in Utah County, State of Utah.

These certain water rights as described of record in the office of the State Engineer, Utah Division of Water Rights, are as follows:

1. A 25/40th interest in Water Right No. 55-7724, the Proctor Lane work ditch with a flow of .080 cfs with an authorized diversion of 37.50 acre-feet; and
2. The first 37.50 acre-feet in the Blue Spring Stream from Water Right No. 55-4795 reserving the remaining 50.50 acre-feet.

WITNESS, the hand of said GRANTOR, this 26 day of August, 1998.

PEN & INK, LTD., a Utah Limited Partnership


 By: Jeanette R. Lynton
 Its: General Partner

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4

W.R. 1010,
6784

2

22.8 acs.
4795

W.R. 4795

1

3

0.3
acs

5

W.R. 1010,
6784, 7060
7688, 7724

3.4 acs.
4425, SD & SP

4.2 acs.
285, 4416,
SD & SF

(296)

ORIGINAL NOT LEGIBLE

EXHIBIT "F"