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DOUG CROFTS, WEBER COUNTY RECORDER
10-FEB-06 844 AM FEE \$.00 DEP BB
REC FOR: WEBER BASIN WATER CONSERV DIST

Contract # 79055

CONTRACT AND LIEN BETWEEN WEBER BASIN WATER CONSERVANCY DISTRICT

AND

Wolf Creek Properties LLC

FOR THE SALE AND USE OF UNTREATED WATER

THIS CONTRACT, made this 11th, day of October, 2005, between the WEBER BASIN WATER CONSERVANCY DISTRICT, organized under the laws of the State of Utah, herein styled "District", and Wolf Creek Properties, LC, of Weber County, herein styled the "Purchaser",

WITNESSETH:

WHEREAS, the Purchaser desires, by means of a well/spring to divert or withdraw underground water for domestic and miscellaneous purposes, which diversion will intercept and withdraw water that will require replacement, and the district has water to sell to the Purchaser to replace the water so intercepted and withdrawn; and

WHEREAS, Purchaser intends to utilize said water upon the following described lands:

SEE ATTACHED "EXHIBIT A"

and

WHEREAS, this contract and purchaser's obligation to pay for the water as set forth herein shall constitute a lien upon the real property described in Exhibit "A";

NOW, THEREFORE, in consideration of the mutual and dependent promises and covenants herein contained, it is hereby mutually agreed by and between the parties hereto as follows:

1. SALE OF WATER: The District for the price hereinafter specified, hereby sells and agrees to deliver in the manner and at the place hereinafter provided, and the purchaser hereby purchases the right to use in each calendar year untreated District water in amounts of 35.0 acre-feet, except the District will not be obligated to deliver water to the Purchaser as herein provided until satisfactory evidence is furnished that the use of this water as replacement water has been approved by the State Engineer of Utah.

2. PLACE OF DELIVERY AND USE: The water covered hereby is sold to the purchaser solely for the replacement of underground water diverted, withdrawn or to be diverted or withdrawn by said well or spring for domestic and miscellaneous use in and upon the following described lands in Weber County, Utah:

SEE ATTACHMENT "EXHIBIT A"

and for no other use or purpose. Its use as replacement water shall be subject to such rules and regulations as the State Engineer of Utah may prescribe.

Delivery of such water shall be as directed by the State Engineer or his representative at the outlet works of _____ Reservoir. The District shall have no obligation to provide works or facilities of any type to conduct such water from such point of delivery to its ultimate place of use. The Purchaser shall have no right to hold over or accumulate water from year to year, nor to sell or rent the water.

3. OBLIGATION OF PURCHASER TO PAY FOR WATER: For the purchase of the annual quantity of water which the District holds and will hold for the Purchaser as herein provided, the Purchaser shall pay to the District an annual amount to consist of the total of the following items:

(a) \$99.66 per acre-foot of water. Such price per acre-foot shall continue until such time as the District may otherwise determine; provided, only, that an increase in such price shall become operative only at the beginning of the next calendar year.

(b) A fair proportionate amount of estimated operating and maintenance charges of the District for the then calendar year. Such fair proportionate amount shall be determined each year by the Board of Directors of the District and the determination shall be final and conclusive.

The first annual payment under items (a) and (b) above shall be made by the Purchaser to the District concurrently with the execution hereof by Purchaser, and shall be in payment for water available for use of Purchaser in the calendar year in which this contract is approved by the Board of Directors of the District; provided, however, if such approval by the Board of Directors of the District is given on or subsequent to October 1 of the then year, the payment so made by Purchaser shall apply as a credit upon the amount accruing hereunder for the next succeeding calendar year, and no payment shall be required for the remainder of the calendar year in which such initial payment is made. Succeeding annual payments shall be made by the Purchaser to the District on or before January 1 of each year thereafter. Each annual payment shall be made to the District whether or not all or any part of the water is called for or used hereunder.

Purchaser's obligation to pay for the water as described above exists irrespective of whether purchaser actually uses the water.

4. PENALTY FOR DELINQUENCY: Every installment or charge required to be paid to the District under this contract, which shall remain unpaid after its due date, shall bear interest from date of delinquency at the existing prime interest rate as of January 1 of each year.

5. REMEDIES OF DISTRICT IN CASE OF DEFAULT: The annual amount payable hereunder shall be and constitute a perpetual lien upon the lands herein above described. If the Purchaser shall fail to make any payment due hereunder on or before the due date, the District may refuse the delivery of water, or upon written notice to Purchaser, cancel this contract in its entirety, but either or both of these remedies are not exclusive, and the District may exercise any other remedy given by this contract or by law to enforce collection of any payment due hereunder, and for the foreclosure of the lien hereby created.

6. RELIEF IN EVENT OF DROUGHT AND WATER SHORTAGE: In the event there is a shortage of water caused by drought, inaccuracies in distribution not resulting from negligence, hostile diversion, prior or superior claims or other causes not within the control of the District, no liability shall accrue against the District or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom and the payments to the District provided for herein shall not be reduced because of any such shortage or damage. During periods of water shortage, allocations of treated and untreated water for municipal, domestic and industrial use shall have first priority.

7. CONSTRUCTION, OPERATION AND MAINTENANCE OF PURCHASER'S FACILITIES: The Purchaser shall construct, operate and maintain, without cost to the

District, the well or spring and appurtenant facilities necessary to secure and accurately measure its water supply. The metering or other measuring device installed by the Purchaser shall be satisfactory to the State Engineer. The District has no responsibility for the quality or quantity of water that the Purchaser is able to secure through the operation of its well or spring.

8. BENEFICIAL USE OF WATER: The basis, the measure and the limit of the right of the Purchaser in the use of water shall rest perpetually in the beneficial application thereof, and the Purchaser agrees to put the water purchased by him hereunder to beneficial use in accordance with law.

9. ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED:
The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto.

10. NOTICE: Any notice herein required to be given to the Purchaser shall be sufficiently given if sent by mail addressed to Purchaser at: 3718 N. Wolf Creek Drive, Eden, Utah 84310, and the District if sent to 2837 East Highway 193, Layton, Utah 84040.

11. OBSERVATION OF FEDERAL AND STATE POLLUTION LAWS: The Purchaser agrees that it will comply fully with all applicable Federal laws, orders and regulations and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts or other pollutants.

12. The reuse of water delivered pursuant to this contract shall not be allowed without permission of the District. The waste, seepage, or return flow from water delivered pursuant to this contract shall belong to the United States or the Weber Basin Water Conservancy District for the use and benefit of the Weber Basin Project.

IN WITNESS WHEREOF, the parties have caused this contract to be executed and signed the day and year first above written.

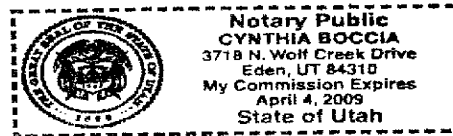
PURCHASERS:

WOLF CREEK PROPERTIES, LC
Address: 3718 North Wolf Creek Drive
Eden, UT 84310

ATTEST:

[Signature]
wolf creek Secretary - Engineer

[Signature]
Managing Partner



STATE OF UTAH)
 : ss.
COUNTY OF WEBER)

On the 11 day of October, 2005, personally appeared before me Steven Roberts, the signer(s) of the above instrument, who duly acknowledged to me that he executed the same.

Cynthia Boccia
NOTARY PUBLIC

APPROVED DATE: December 2, 2005

WEBER BASIN WATER
CONSERVANCY DISTRICT


Jewel Lee Kenley, Chair

ATTEST:


Tage I. Ffirt, Secretary

(SEAL)



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following 2 calls: North 1290 feet and Northeasterly 30 feet, more or less, to the point of beginning. (22-023-0020). *7 1/2*

PARCEL 4:

The East half of the Southwest quarter of the Southwest quarter of Section 29, Township 7 North, Range 1 East, Salt Lake Meridian, U.S. Survey.

ALSO: Part of the Southeast quarter of the Southwest quarter of Section 29, Township 7 North, Range 1 East, Salt Lake Meridian, U.S. Survey: Beginning at the Northwest corner of the Southeast quarter of the Southwest quarter of said Section 29, and running thence East 30 feet to the Northwestern corner of Parcel 22-023-0020; thence along said parcel Southwesterly to a point 30 feet South from the place of beginning; thence North 30 feet to the place of beginning. (22-023-0045). *7 1/2*

PARCEL 5:

DESG. IN ERROR.
Part of Section 32, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey: Beginning at a point South 55 Degrees West 111.01 feet from the most northerly corner of Lot 99, SILVER BELL ESTATES NO. 9; running thence North 35 Degrees West 80 feet; thence North 61 Degrees 45' 23" East to the West line of Parcel 22-023-0019; thence North along said line of Section 32; thence West along section line to Northwest corner of said Section 32; thence South along section line to a point South 55 Degrees West from point of beginning; thence North 55 Degrees 23' 00" feet, more or less, to the point of beginning. (22-029-0008).

PARCEL 6:

Part of Section 32, Township 7 North, Range 1 East, Salt Lake Base and Meridian: Beginning at a point South 55 Degrees West 111.01 feet from the most Northerly corner of Lot 99, SILVER BELL ESTATES NO. 2; thence the following 5 courses along the Westerly boundary of said SILVER BELL ESTATES NO. 2: South 2 Degrees East 987.74 feet; South 35 Degrees East 1736.47 feet; South 36 Degrees 10' East 1014.59 feet; South 71 Degrees 47' East 531.56 feet and South 79 Degrees East 50 feet; thence South 11 Degrees West 121.51 feet; thence along the arc of a 607.21 foot radius curve to the right for a length of 49.95 feet; thence South 74 Degrees 17' 13" East 239.89 feet to the West line of Lot 49, SILVER BELL ESTATES NO. 1; thence South 20 Degrees West to a point 140.39 feet North 1 Degree East of the Southwest corner of said Lot 49; thence South 1 Degree West 140.39 feet; thence the following 7 courses along the Westerly boundary of said SILVER BELL ESTATES NO. 1: South 16 Degrees West 134.78 feet; South 29 Degrees East 132.5 feet; South 19 Degrees West 96.54 feet; South 9 Degrees West 253.28 feet; South 45 Degrees West 140.34 feet; South 8 Degrees 44' West 190.45 feet; and South 18 Degrees West

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114.38 feet; thence North 73 Degrees 44'30" West 205.30 feet; thence South 29 Degrees 15' West 140 feet; thence South 37 Degrees 58'50" West 254.04 feet; thence South 8 Degrees 42' West 60 feet; thence North 83 Degrees 56' East 45.91 feet; thence South 6 Degrees 04' East 50 feet; thence South 83 Degrees 56' West 220.00 feet; thence South 29 Degrees 05'51" West 234.61 feet; to the South line of said Section 32; thence West along said South line 3530.89 feet, more or less, to the Southwest corner of said Section 32; thence North along the West line of said section to a point South 55 Degrees West from the point of beginning; thence North 55 Degrees East 2300 feet, more or less, to the point of beginning. (22-029-0010)

PARCEL 7:

A road as platted in SILVER BELL ESTATES NO. 2 SUBDIVISION, Weber County, Utah; described as follows: Beginning at a point South 30 Degrees 00' West 300 feet, and South 60 Degrees 00' East 1409.02 feet and South 21 Degrees 00' West 123.26 feet and South 17 Degrees 00' West 102.12 feet and South 12 Degrees 00' West 95.44 feet and South 6 Degrees 00' West 224.09 feet, North 79 Degrees 00' West 241.09 feet from the Northerly corner of Lot 34, SILVER BELL ESTATES NO. 1, thence North 11 Degrees 00' East 164.33 feet; thence to the right along the arc of a 122.19 foot radius curve 115.16 feet; thence North 65 Degrees 00' East 17.37 feet; thence North 25 Degrees 00' West 50 feet, South 65 Degrees 00' West 15.85 feet; thence to the left along the arc of a 172.19 foot radius curve 162.29 feet; thence South 11 Degrees 00' West 164.33 feet; thence South 79 Degrees 00' East 50 feet to the point of beginning. (22-036-0020)

PARCEL 8:

A road as platted in SILVER BELL ESTATES NO. 2 SUBDIVISION, Weber County, Utah, described as follows: Beginning at the Northerly corner of Lot 72, SILVER BELL ESTATES NO. 2; thence South 30 Degrees 00' West 324.07 feet; thence North 56 Degrees 10' West 50.12 feet; thence North 30 Degrees 00' East 336.02 feet; thence South 46 Degrees 10'13" East 51.49 feet to place of beginning. (22-037-0017)