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REC FOR: WEBER BASIS WATER CONSERV BIST
Contract D-3

Account # 04113

PETITION TO WEBER BASIN WATER CONSERVANCY DISTRICT
FOR THE ALLOTMENT OF WATER

B&H Investment Properties LLC herein "Petitioner"),
hereby applies to the Weber Basin Water Conservancy District, (herein "District"), for the allotment
of the beneficial use of 26.0 acre-feet of untreated water annually, **for irrigation and domestic
purposes**, on land situated in Weber County, Utah, legally described as follows:

Section 28, Township 6N, Range 2E, Acres _____

Tax I.D. No 21-037-0014

SEE ATTACHED "EXHIBIT A"

1. In consideration of such allotment and upon condition that this petition is granted by the
District, Petitioner agrees as follows:

a. To pay for the right to use the allotted water an amount annually to be fixed from
time to time by the District's Board of Directors, which amount initially shall be the sum of
\$ 15.00 per 1.0 acre-foot.

b. To pay an additional amount, per acre foot, annually to be fixed by the District's
Board of Directors for operation, maintenance or other charges.

The amount so fixed shall be paid whether or not the Petitioner actually takes and uses the
water allotted.

The amounts so fixed shall be a tax lien upon the above-described land and the Petitioner
shall be bound by the provisions of the Water Conservancy Act of Utah and the rules and
regulations of the District's Board of Directors. Nothing contained herein shall be construed to
exempt the Petitioner from paying the taxes levied pursuant to Sections 17A-2-1426 and 17A-2-
1427, Utah Code Annotated 1990, as amended.

2. The use of the water allotted hereby shall be solely for the replacement of underground
water diverted, withdrawn or to be diverted or withdrawn by means of a well or spring for
irrigation and domestic purposes at a point located on the land hereinabove described, and for no
other use of purpose.

3. Petitioner's use of the water hereby allotted as replacement water shall be subject to such rules and regulations as the Utah State Engineer may from time to time prescribe. The Petitioner shall not use the allotted water in any way without first receiving an approved exchange application from the Utah State Engineer. It is the responsibility of the Petitioner to obtain such approved exchange application.

4. Delivery of the water hereby allotted by the District shall be as directed by the Utah State Engineer or his representative at the outlet works of _____ reservoir.

5. The District shall have no obligation to provide works or facilities of any type to conduct the water hereby allotted from its point of delivery to its ultimate place of use.

6. 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 arise against the District or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom to Petitioner and the payments to the District provided for herein shall not be abated or 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. The Petitioner shall construct, operate and maintain, without cost to the District, the well or spring and appurtenant facilities necessary to secure and accurately measure Petitioner's water supply. The metering or other measuring device installed by Petitioner shall be satisfactory to the Utah State Engineer. The District has no responsibility for the quality or quantity of water that Petitioner is able to secure through the source of Petitioner's well or spring.

8. The basis, the measure and the limit of the right of the Petitioner in the use of water shall rest perpetually in the beneficial application thereof, and the Petitioner agrees to put the water allotted Petitioner hereby to beneficial use in accordance with law.

9. The Petitioner agrees to fully comply 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.

10. Petitioner recognizes that in addition to the tax lien referred to in paragraph 1 above, the above-described land is presently encumbered by a lien created by District Contract No. 69312.45074 in the name of Gibbs Smith, hereinafter the "contract lien." There is presently an outstanding balance owed the District of \$0, which petitioner hereby assumes and agrees to discharge. The unpaid balance of the contract lien shall be assessed simple interest at the rate of n/a % per annum. Petitioner recognizes that the unpaid balance of the contract lien together with the accrued interest shall remain a lien upon the land until discharged. The parties agree further that in the event the indebtedness represented by the contract lien and accrued interest is not fully discharged on or before n/a, District may cancel this

contract, retain both its contract lien and tax lien and inform the State Engineer of the cancellation and request that the corresponding exchange application be invalidated. The District may also elect to foreclose its contract lien against the land.

11. The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto but as long as payments are required under Articles 1 (a) and (b) above neither this contract or any assignment or transfer of this contract or any part thereof or interest therein shall be valid until approved by the District's Board of Directors.

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.

Dated this 7 day of October, 2005.

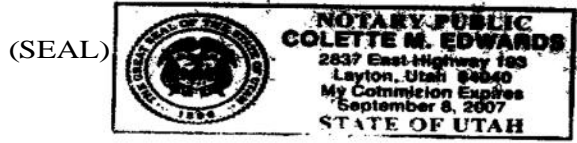
[Signature]
[Signature]
Petitioners and Owners of Land
above-described

B&H Investment Properties LLC
110 West 1700 North
Centerville.. UT 84014
Address

STATE OF Utah)
 : ss.
COUNTY OF Davis)

On the 7th day of October, 2005 personally appeared before me Steven L. FcrltoKI kf & Illsl Deppe, the signer(s) of the above instrument, who duly acknowledged to me that he executed the same.

[Signature]
NOTARY PUBLIC



ORDER ON PETITION

DUE NOTICE having been given and hearing had, IT IS ORDERED that the foregoing petition of B&H Investment Properties LLC be granted and an allotment of 26.0 acre-feet of water is hereby made to the lands therein described, upon the terms, at the rates, and payable in the manner as in said petition set forth.

DATED this 4 day of November, 2005.

WEBER BASIN WATER CONSERVANCY
DISTRICT

By Jewel Lee Kenley
Chairman, Board of Trustees
Jewel Lee Kenley

ATTEST:

Tage I. Flint
Secretary
Tage I. Flint

(SEAL)



EXHIBIT MA"

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Part of the North half of Section 28, Township 6 North, Range 2, East, Salt Lake Base and Meridian, Beginning at the Northeast Corner of Lot 8 of MONASTERY COVE SUBDIVISION PHASE 1, said point being South 89D33'27" East 918.89 feet along the Section line and South 691.57 feet from the North Quarter Corner of Section 28, Township 6 North, Range 2 East, Salt Lake Base and Meridian (Basis of bearing: North 89D33'10" West from the North Quarter Corner of Section 28 to the Northwest Corner of Section 28) thence South BSD^'SS" East, 601.92 feet along South Boundary of Susan Short Property; thence South 37D52'13" East 151.13 feet along the Southwest boundary of Tim Ford Right of Way, thence South 00D09'27" East 1000.75 feet along West boundary of Tim Ford Property; thence North 87D43'12" East 255.31 feet along said boundary of Tim Ford property; thence South 00D40'17" East 855.86 feet along West boundary of Tim Ford property; thence North 89D10'54" West 802.22 feet along North Boundary of FALCON CREST SUBDIVISION, thence North 05D31'41" West 1472.85 feet along East boundary of MONASTERY COVE SUBDIVISION PHASE 1; thence North 02D08'23" West 495.96 feet along East boundary of MONASTERY COVE SUBDIVISION PHASE 1; to the point of beginning.

(Being the Proposed MONASTERY COVE SUBDIVISION PHASE 2)

#21-037-0014 

(Property Address: 9300 East 2075 South, Huntsville, Utah, 84037)